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TOWN
OF
LOS ALTOS HILLS

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HOUSING
OF
LOS ALTOS HILLS

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INTRODUCTION

The Town of Los Altos Hills offers a residential environment rare in the San Francisco Bay Area. Its rural density, rolling terrain, dense vegetation, strong community stand on environmental protection and compatibility, and its adjacency to lands of the Midpeninsula Regional Open Space District have resulted in a highly desirable location for residential development. This desirability, even with severe constraints to development such as extreme slopes, unstable soils, hydrologic hazards, and a minimal vehicular circulation system, have driven the cost of housing in the Town upward. Nonetheless, residential development, the only type of development allowed within the Town, is low in density and carefully sited upon the land to ensure compatibility and harmony between residents and the environment. It is a setting, both natural and man-made, which makes Los Altos Hills distinct among its suburban-density neighbors to the north, east, and south.

In the mid-1950's Santa Clara County's trend of permitting development to over-burden the natural environment through higher densities and smaller lots served as a catalyst for the Town's 1956 incorporation. The County's pattern of development approvals was considered counter to sound stewardship of the land and its delicate resources. Then, today, and perceivably into the future it is the Los Altos Hills community's desire to preserve and maintain the rural atmosphere associated with the community's established residential areas.

In addition to the rural residential development allowed by the then newly incorporated community, the Town also allows uses accessory to rural residential style development such as small-scale crop and tree farming, keeping of horses and other domestic animals, and other agricultural pursuits compatible with the primary rural residential uses. The Town also encourages private and public park and recreational uses necessary to conveniently serve the residents, public and private schools, churches, fire stations, and community centers needed locally to serve Town residents. The goal in incorporation was to provide, amidst open spaces, residential uses and the minimum public and private facilities and services necessary to serve Town residents on a continuing basis.

Uses other than rural residential, such as retail and medical services and employment centers, are readily available in adjoining, suburban communities, and their duplication in the Town, especially to serve a relatively small population, is unnecessary.

REQUIREMENT FOR A HOUSING ELEMENT

California has been a dubious leader in the fading "American dream" as the cost of land, construction, regulatory processes, and environmental protection have combined to make California the most expensive state in the nation in terms of housing costs. Several years ago the State Legislature took notice of this situation and made the following findings:

- “The lack of affordable housing is a critical problem which threatens the economic, environmental, and social quality of life in California”;
- “California housing stock has become the most expensive in the nation”;
- “Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration”; and
- “Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions which result in disapproval of affordable housing projects, reduction in density of affordable housing projects, and excessive standards for affordable housing projects.”¹

From these findings evolved a requirement that a housing element be a part of every general plan². As the general plan is “...a comprehensive, long-term plan for the physical development of the county or city...”³, the housing element is “...a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing...”⁴.

Article 10.6, Section 65583 of the California Government Code identifies the basic content of a housing element. In brief, each housing element is required to include:

- “An assessment of housing needs and an inventory of resources and constraints relative to the meeting of those needs”;
- “A statement of the community’s goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing”; and
- “A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element....”⁵

LOCAL HOUSING ISSUES

The Town’s desire to preserve a rural environment does not preclude the dedication of energies toward housing issues. Two such key issues identified in the Housing Element are opportunities for more affordable housing and the provision of housing for the Town’s aging population.

Prior to 1989, the renting of residential second units in Los Altos Hills was prohibited, and they were instead reserved for domestic help and guests. Shortly after adoption of the 1988 Housing Element, however, that restriction was lifted, adding significantly to the Town’s existing and

¹ Excerpts from Article 10, Section 65589.5(a) of the California Government Code.

² Article 5, Section 65302 of the California Government Code identifies seven mandated general plan elements, which include land use, circulation, housing, conservation, open-space, noise, and safety.

³ Excerpted from Article 5, Section 65300 of the California Government Code.

⁴ Excerpted from Article 10.6, Section 65580 of the California Government Code.

⁵ Excerpts from Article 5, Section 65583, subparagraphs (a), (b), and (c) of the California Government Code.

freely available housing stock. Residential second units provide for the Town an excellent source of more affordably priced housing and the Town is eager to promote these units in the future.

In terms of the elderly, as the Town's population ages, its housing needs change. In homes where there were once children, there are now none, leaving vast expanses of shelter under-utilized, and leaving a number of the Town's residents responsible for upkeep of large homes well beyond their physical needs. The trend is also for long-time elderly residents to stay in their homes, even with their considerable size, rather than relocating to other, more appropriate sized surroundings. The Town is concerned about its long-time residents and desires to move forward with programs designed to address this very special need.

CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

The Town of Los Altos Hills is undertaking a comprehensive up-date of its General Plan. The Housing Element is one of the first elements to be updated, with the remainder of the Elements to be updated as resources permit. As the Housing Element does not propose substantive alterations in land use, circulation, or other features of development in the Town, it will remain consistent with other General Plan elements.

PUBLIC PARTICIPATION

Prior to this iteration of the Element the Town of Los Altos Hills conducted several community meetings in 1988 and 1989, and conducted a Community Opinion Survey in 1989 to assist in documenting the housing characteristics of the Town. Additionally, in the fall and winter of 1992, and in the first half of 1993, the Planning Commission and City Council held numerous public meetings to allow for community input regarding the review and update of the Housing Element, a draft of which was issued in July, 1993.

In 1994, the Town circulated and tabulated a survey on residential second units, the basic purpose of which was to estimate the number of existing second units and to develop a sense of the community's support for additional secondary units (a copy of the Survey form is enclosed in Appendix A). The results of that survey, which represented nearly 50% of the Town's households, illustrated strong support for residential second units (refer to Appendix B).

Development of this update of the Housing Element was guided by a subcommittee of the City Council and Planning Commission, and built upon the efforts noted above. Prior to adoption, this Element will be subject to public review and comment during the conduct of public hearings by both the Planning Commission and City Council.

ORGANIZATION OF THE HOUSING ELEMENT

This Housing Element is divided into several distinct sections which generally parallel requirements of the State's mandated housing element contents:

- Evaluation of the 1988 Housing Element – an assessment of the strengths and weaknesses of the Town's implementation of the 1988 Housing Element
- Population, Household, and Employment Trends – an examination of historic data and the forecasting of future trends as a prelude for defining local housing needs
- Housing Needs - the identification of specific housing needs
- Constraints and Opportunities to Housing Development – a review of physical and institutional constraints to the development of housing necessary to meet local needs and an exploration of opportunities to promote residential development
- Energy Consumption and Conservation – a discussion of opportunities to conserve energy consumption in residential development; and
- Housing Goals, Policies, Programs, and Objectives – the identification of specific goals, the setting of specific objectives, and the development of programs, all focused on meeting the identified local housing needs.

EVALUATION OF THE 1988 HOUSING ELEMENT

As noted, this Housing Element represents an update to the Town's 1988 Housing Element. The 1988 Element's goals centered on efforts to ensure that there were adequate opportunities for housing within the community, without compromising the Town's 1956 incorporation goals and principles. In developing this Housing Element, an assessment of the 1988 Element was conducted, the purpose of which was to identify those aspects of that Element which were successful or continued to demonstrate promise and to eliminate or revise those components which did not yield the desired results.

The Town has successfully implemented a great number of the programs outlined in the 1988 Element, and in so doing, has added significantly to the Town's stock of available rental housing, and has removed or reduced constraints to the development of housing, including:

- The addition of more than 400 residential units to the available stock of rental housing through the elimination of the prohibition on the renting of residential second units;
- The elimination of the requirement for the approval of a Conditional Use Permit prior to construction of a residential second unit, thereby simplifying and expediting the approval process for residential second units;
- The addition of lands available for residential development within the Town through annexations, including the zoning of annexed lands for residential densities greater than those allowed under Santa Clara County's Hillside Zoning District, thereby adding lands to the Town available for residential development;
- Participation through Santa Clara County in the Federal Housing and Community Development Block Grant Program, including residential housing rehabilitation and the allocation of \$200,000 to the Community Services Agency of Mountain View and Project Match, helping make available transitional housing in close proximity to the immediate community; and
- The consideration of the needs of the physically challenged in the review and approval of new residential development, thereby responding to the physical needs of those less physically capable.

Some programs outlined in the 1988 Element were not as successful, including:

- The maintenance of an inventory of vacant lands suitable for residential development; and
- The development of an inventory of residential units accessible to the physically challenged.

Appendix C to this Element provides an in-depth, program-by-program discussion of the 1988 Element's implementation.

Those goals, policies, and programs found successful, potentially successful, and effective which were developed as part of the 1988 Housing Element have been carried forward either wholly or partially into this Element to continue those efforts. Likewise, those goals, policies, and programs of the 1988 Element found to be unproductive in terms of the Town's overall housing goals were not carried forward.

POPULATION, HOUSEHOLD, AND EMPLOYMENT TRENDS

Prior to the identification of housing needs and the development of goals, policies, programs, and objectives to address those needs, it is necessary to understand the demographic context for that analysis. Information utilized to develop a housing profile of the Town was obtained from various sources, including the United States Department of Commerce's Bureau of the Census, the California Department of Finance's Demographics Research Unit, and the Association of Bay Area Governments.

The following highlights the data presented in this section:

- The Town has a vacancy rate which does not limit or otherwise restrict mobility or choice in the housing market;
- The Town has and will continue to grow at a relatively slow pace, due in part to a limited supply of easily and inexpensively developable land;
- The Town's population, like that of the region and nation, is aging;
- The Town's household income is the highest in the County and one of the highest in the State;
- There is minimal occurrence of poverty within the Town;
- Most of the Town's households are made-up of families, as defined by the Bureau of the Census;
- The Town's housing stock is in excellent condition;
- There is minimal overcrowding within the Town;
- The value of the Town's housing stock is extremely high;
- Most of the Town's residents are employed; and
- A relatively large portion of the Town's households allocate more than 35% of their household income toward housing costs.

It is reasonable to conclude from the information presented in this section of the Element that at least in terms of housing, the Town's residents are well satisfied and there is minimal if any localized need for conventional housing or for housing to meet special needs. Many of the Town's residents choose the community as a place to live, even with higher housing costs and lesser selection than adjoining suburban communities, specifically for the environment in which the Town is set, an environment which has been carefully preserved and cultivated over the years.

DEMOGRAPHICS

Population Growth

The Bureau of the Census found the Town's population grew from 7,421 in 1980, to 7,514 in 1990, reflecting an annualized growth rate for the period of 0.12%. The California Department of Finance, Demographic Research Unit (DOF), estimates that the Town's 1995 population was 7,775⁶, reflecting an annualized growth rate of 0.69% for the period from 1990.

Beyond 1995, the Town and its Sphere of Influence (Sphere) are expected to grow at a slower rate, based on forecasts developed by the Association of Bay Area Governments (ABAG). In ABAG's publication *Projections 96* it is estimated that the Town and its Sphere will grow to a population of 8,800 people by the year 2010, reflecting an annualized growth rate of .12% from ABAG's estimate of the Town and Sphere's 1995 population of 8,600.

In examining ABAG's population projections and some of the data upon which the projections are based, it is noted that ABAG's projections for the Town and its Sphere of Influence have decreased substantially since the 1988-1995 housing needs projections were developed. For example, in their *Projections 90*, ABAG projected a year 2000 population for the Town and its Sphere of Influence of 10,000 people. In their *Projections 96*, ABAG projected a year 2000 population for the Town and its Sphere of Influence of 8,800 people. As the Town did not lose a significant portion of its population, and the area included in the Town's sphere did not decrease over the same time frame, this dramatic decrease raises question over the accuracy of the base data utilized by ABAG on which they base their projection of future growth. ABAG's *Projections 96* appears to have taken into account a significant downward trend in California's economy which occurred during the early and mid 1990's, which in one respect is visible in a slower than previously expected growth rate. The downward turn in the State's economy is not factored into ABAG's determination or allocation of the regional housing need, or the fair share allocation, both of which are addressed later in this element.

The Town of Los Altos Hills' population has historically grown more slowly than the region, due to the limited supply of undeveloped land not encumbered by significant constraints, in conjunction with higher development costs associated with mitigating those constraints. A portion of the Town's population growth in recent years has been derived from the annexation of new lands to the Town, and their subsequent development.

Age Characteristics

The Bureau of the Census found that the 1990 median age of the Town's residents was 44.3 years of age. This median age represents an increase from 1980's median age of 37.6 years, an increase of 6.7 years (17.82%) in just a ten-year span. Median age information developed by

⁶ DOF estimate for January 1, 1995.

ABAG found the median age of Santa Clara County residents to have increased from 28.65 years in 1980, to 31.39 years in 1990, an increase of 2.74 years (9.56%).

The greater increase in the Town's median age over that of Santa Clara County's may be attributable to the greater cost of housing in the Town than other areas of the County, which likely precludes some younger, less affluent households from moving to the community. Other factors may include the absence of viable transit opportunities, minimal facilities and recreational opportunities for youth, and an absence of commercial services. The median age increase also reflects the national trend of an overall aging of the population. Finally, as households elect to have fewer children, the median age of the Town as a whole increases as well.

If the Town's population continues to age, increased demands will be placed on senior social and health services provided by the Town, County, State, and Federal governments. The overall aging of the population will also place demands on the type of housing developed or rehabilitated within the Town, especially to meet the needs of older, potentially less mobile individuals.

Ethnic Diversity

The Bureau of the Census found the Town's population in 1990 to be predominantly White (83.4%). Other categories tabulated included Black (0.8%), Native American (0.1%), Asian or Pacific Islander (15.5%), and other (0.3%). The Town's ethnic mix is less diverse than in Santa Clara County as a whole, except for Asian or Pacific Islanders, where the Town's ratio begins to approach the County percentage.

In 1980, the percentage of minorities was similarly disproportionate in Los Altos Hills. The only significant change since has been the growth in the Asian or Pacific Islander population (4.8% of the Town's total population in 1980).

The percentage of Los Altos Hills residents of Hispanic origin is significantly lower than in the County as a whole. The Census found that Los Altos Hills had 202 residents of Hispanic origin (regardless of race) for 2.7% of the total population, compared to 21% for Santa Clara County as a whole.

HOUSEHOLDS AND RESIDENTIAL UNITS

Number of Households

The Bureau of the Census found there were 2,606 households in the Town in 1990, an increase from the 2,376 reported by the Bureau in 1980. For the ten-year period from 1980 to 1990, the annualized growth of households was 0.93%. The most recent State Department of Finance statistics estimate that there are 2,697 households in the Town of Los Altos Hills as of January 1, 1997.

Beyond 1990, households in the Town and its Sphere of Influence are expected to increase, but at an even slower rate. In the publication *Projections 96*, ABAG estimates the number of households in the Town and its Sphere will grow from an estimated 2,662 in 1990, to a projected 2,880 households in the year 2010, representing an annualized increase of 0.4%. The slowing increase in the number of new households is directly linked to the diminishing supply of new housing, which in Los Altos Hills is due to build out of the vacant land inventory and substantial environmental constraints to development.

Household Size

The Bureau of the Census found there to be 2.88 persons per household in 1990, a decline from the average of 3.65 persons per household in 1980. ABAG projects that the Town and Sphere's household size will continue to decline, from an estimated 2.83 persons in 1990 to 2.76 persons per household in the year 2010. The overall decline is not unusual in that, even on a national basis, many households are electing to have fewer children.

Families

According to the Bureau of the Census in 1990, 2,259 of the Town's 2,606 households were defined as family households, while 347 were classified as non-family households. Slightly less than 97% of the families are married couple families, and nearly 79% of all families have children under 18.

Residential Unit Types and Occupancy

According to the Bureau of the Census, the Town, in 1990, had 2,623 single family detached single family residential units, 24 single family attached residential units; 7 multi-family residential units, and 5 mobile homes.

There are also two convents located within the Town's corporate boundaries – Daughters of Charity and Poor Clares. The Census identifies these convents as group quarters rather than as housing units, however, they do provide housing for approximately 97 people (85 at Daughters of Charity and 12 at Poor Clares) and the Town recognizes this unique contribution of housing to the region.

Vacancies

According to the Bureau of the Census, only 76 of the 2,682 residential units were vacant in 1990, resulting in an overall vacancy rate of 2.8%. Of the 76 vacant units, 8 were vacant due to their use as seasonal or vacation residences, resulting in an even lower vacancy rate for those units intended for year-round habitation (2.5%). Neither of these figures include the two convents.

Tenure

According to the Bureau of the Census, the Town of Los Altos Hills had 2,606 occupied residential units in 1990, of which 151 (5.8%) were occupied by renters and 2,455 (94.2%) were owner occupied.

Overcrowding

According to the Bureau of the Census, only 23 (0.8%) of the total 2,682 residential units were classified as being overcrowded. By definition, an overcrowded unit is defined as a unit occupied by more than one person per room (excluding the kitchen and the bathrooms).

By comparison, the incidence of overcrowding in Santa Clara County as a whole was much higher in 1990, estimated by the Bureau of the Census to be 5.3% of the units.

HOUSEHOLD INCOME

The Town of Los Altos Hills' mean and median household incomes have consistently been significantly higher than those in Santa Clara County or the State of California. In 1990, Los Altos Hills had a median household income of \$115,851, more than twice the County median of \$48,115. Los Altos Hills also had the highest percent of households in the County earning over \$100,000 per year (59%).

ABAG's *Projections 96* suggests this trend will continue. The mean household income in 1990 for the Town and its Sphere was estimated to be \$215,293. ABAG projects that Los Altos Hills and its Sphere's mean income will continue to be the highest in the County at least through the year 2010, when they project a mean household income of \$505,000 (in constant 1995 dollars).

Income Groups

The United States Department of Housing and Urban Development defines four income groups, as follows:

- *Very Low Income* – Households earning up to 50% of the regional median household income
- *Low Income* – Households earning up to 80% of the regional median household income
- *Moderate Income* – Households earning between 80% and 120% of the regional median household income
- *Above Moderate Income* – Households earning above 120% of the regional median household income

According to ABAG estimates for 1980, based on information developed by the Bureau of the Census, the Town of Los Altos Hills was made up of 5% very low income households, 5% low-

income households, 8% moderate income households, and 82% above moderate income households.

Using the 1980 percentages of households in each of the four income groups and applying them to the number of households in 1990, it can be estimated that 130 households were very low income, 130 were low income, 209 were of moderate income, and 2,137 were of above moderate income in 1990.

Poverty Level

Poverty level, as defined by the Federal government, is adjusted annually and measures not only income levels, but also family size, number of children, and the age of the family householder or unrelated individual. According to the Bureau of the Census for 1990, 175 (2.3% of the total population) people were below the poverty level. None of the people were in single parent families, and 78 of them were in married couple families (1.3% of the married couple families). There were 50% more women than men below the poverty level.

Households Overpaying for Housing

Due to differing family income levels and sizes, it is difficult to set a specific maximum percentage of income a household should devote to housing. Generally, a household should not contribute more than 35% of its income to housing in order to prevent sacrificing other necessary expenditures. Devoting a sum greater than 35% (depending on family size and income) of a household's income can result in hardship and difficulty in providing other necessary goods and services. For lower-income households (those earning only up to 80% of the regional median household income), State law defines an overpaying household as one which pays more than 25% of its income on housing. This is more sensitive than the Federal standard of 30%.

According to the Bureau of the Census, the Town of Los Altos Hills had 2,606 occupied residential units in 1990, of which 151 (5.8%) were occupied by renters and 2,455 (94.2%) were owner occupied. Of the 151 renter households, 65% spent less than 25% of their income on rent, while 11.4% use between 25-34% of their income. There were 6 renter households that didn't pay rent with cash and were not included in the calculation.

Of the 2,455 owner occupied housing units, 64.7% spend less than 25% of their income on housing payments, 10.3% pay between 25-35%, and 24% pay more than 35% of their income on housing. For those with a mortgage, only 56.9% are spending less than 25% of their income on mortgage payments, and 29.5% are paying over 35%.

On the topic of overpaying for housing, it is important to note that the Town of Los Altos Hills has become a very desirable place to live. With limited supply, and excess demand, basic economics dictate availability. Many households freely choose to pay more than the standard

allocation of household income for housing just for the opportunity to live in the Town, even with the availability of less costly housing in adjoining suburban communities.

HOUSING STOCK

Age of Housing Stock

It is apparent from 1980 Census data, and from Town building permits issued from 1980 to 1990, that Los Altos Hills' housing stock is relatively new, as is the entire County's stock. Approximately 64% of the Town's housing stock was built after 1960. An additional 21% of the Town housing stock was constructed between 1950 and 1960, leaving less than one-sixth of the housing stock constructed prior to 1950.

Incomplete Plumbing

Five housing units in the Town lacked complete plumbing in 1980. According to the Bureau of the Census in 1990, this situation has been resolved and it is now reported that 100% of the residential units have complete plumbing.

Structural Condition

A windshield survey was undertaken in 1991 to determine the condition of the existing housing stock. The categories used for rating were:

- *Sound* – A structure providing safe, sanitary and adequate housing or shelter. The structure shows no visible damage and exhibits the appearance of regular maintenance. Small areas of peeling paint, un-mended fences or unkempt landscaping may be included in a sound rating.
- *Sound, Deficient* – A structure providing safe, sanitary and adequate housing or shelter, but shows two or more deficiencies which if un-repaired may lead to structure deterioration. Deficiencies include junky or trashy yard, broken windows, large areas of peeling paint, large driveway cracks, unpaved driveways, missing shingles and deteriorating fencing.
- *Unsound, Needing Major Rehabilitation/Deteriorating* – A structure which does not provide safe, sanitary or adequate housing or shelter, but could be rehabilitated. The structure exhibits deficiencies which indicate a prolonged absence of regular maintenance or inadequate original construction. Examples include several broken and/or boarded windows, large areas of missing roof shingles, holes in the walls, cracks in walls and/or foundations, sagging porches and/or roof lines, missing or damaged doors, unpaved driveways, inadequate additions, and inadequate original construction.

- *Unsound, Requiring Demolition/Dilapidated* – A structure which has deteriorated past the point of economical rehabilitation and is unsafe, unsanitary and inadequate housing or shelter. The structure exhibits a majority of major defects and deficiencies including severely sagging foundations, roof and porch lines, large holes in walls and roof, missing or broken windows and doors, severely peeling paint, unpaved, pitted and rutted driveways, inadequate additions and inadequate original construction.

The survey consisted of an exterior inspection only and involved only those parts of the structures within view from the adjacent street. Since many homes within the Town of Los Altos Hills are situated at the end of private driveways, a complete survey was not possible. However, it was estimated that nearly 75% of the structures were surveyed. Within this sample, it is evident that the Town's residents perform routine maintenance to ensure adequate maintenance of the Town's overall housing stock. No residential units were classified lower than "sound."

Housing Unit Value

The Bureau of the Census defines the value of a housing unit as the respondent's estimate of the current dollar worth of the property if the unit is owner-occupied, or the asking price if the property is vacant (excluding rental units). Within the community of Los Altos Hills, 94% of all housing units were valued at \$500,000 or more in 1990.

Since 1980, housing costs in Los Altos Hills have increased dramatically, reaching an average price of \$1.1 million (San Jose Real Estate Board) in 1990, although the range of prices varied to considerably higher. The cost of housing in Los Altos Hills has consistently remained substantially above the average price of housing in Santa Clara County. The average price of a single family home in Santa Clara County was approximately \$297,000 in 1990 (San Jose Real Estate Board).

Again, as noted earlier, the housing and land values in the Town owe much to the Town's rural, quiet setting not readily available elsewhere on the San Francisco Peninsula.

LABOR FORCE

Employment Composition

According to the Bureau of the Census, the Town of Los Altos Hills had a labor force of 3,917 people in 1990, 97.8% of whom were employed and 2.2% of whom were not. Since 1980, the unemployment rate rose from 2.2% to 4.0%. This is significantly lower than the Santa Clara County unemployment rate of 8.2% and the State's unemployment rate of 10.8%. The Santa Clara County unemployment rate, however, is still among the five lowest unemployment rates of all California counties.

In the past decade, the number of persons in the labor force per household has increased slightly from 1.4 persons to 1.5 persons per household. Additionally, during the same time period, the percentage of females in the labor force has doubled from the previous decade. From 1970 (27.4%) to 1980 (34.8%) there was a 7.4% increase, and from 1980 (34.8%) to 1990 (49.6%) there was a 14.8% increase.

The industries which employ a majority of Los Altos Hills' residents are durable goods manufacturing (22.4%), retail trade (5.8%), and educational services (10.6%). The Town is in close proximity to Silicon Valley's expansive electronics industries, as well as to six different institutions of higher education, including Stanford University, San Jose State University, and the University of Santa Clara.

Employment Location

According to the 1990 Census, slightly more than 90% of Los Altos Hills' employed labor force commutes outside the Town's corporate boundaries to the work place. Of those who commute, 51% drive 20 minutes or more in each direction. For those employed within the Town's corporate limits most operate at-home businesses, or are employed by at-home businesses, or are employed by the several schools within the Town's corporate boundaries. There are no retail, business, or industrial employment centers located within the Town's corporate limits.

Employment Projections

In their publication *Projections 96*, ABAG projects the number of employed residents in Los Altos Hills and its Sphere will increase from 4,179 in 1990, to 4,600 in the year 2010. There is some question as to the origin of this projection inasmuch as the Town does not allow any traditional retail, business, or service uses which would normally be the source of new employment growth. One potential source of new employment is anticipated growth at Foothill Community College, located within the Town's corporate limits. However, the College is not expected to grow sufficiently to account for an increase of slightly more than 400 jobs. Another potential generator of employment growth, and a generator for which there are no known reliable statistics or reporting mechanisms, is household domestic workers. Many of the individuals employed as domestic workers are provided housing by their employers either within main residences or within detached guest quarters or residential second units.

HOUSING NEEDS

It is evident from the preceding section of this Element that the Town has little if any localized housing need. The Town does not allow any retail, service, or industrial uses which would generate employment, and in turn, a demand for new housing, so the Town does not by itself generate a demand for housing. Rather, demand for housing is generated beyond the Town's corporate limits, along the San Francisco peninsula and in the East Bay.

Although there is an absence of localized housing need, the Town is required to participate along with the balance of the region in addressing regional housing needs.

The Association of Bay Area Governments (ABAG) is charged by the Legislature to determine the region's⁷ overall housing needs, particularly for households of moderate income and below, and to allocate to each county, city, and town a "fair share" of that regional need. For the Town of Los Altos Hills, ABAG determined there to be a need for 224 additional residential units in the Town and Sphere to meet the Town's share of the regional need⁸ for the period of 1988-1995:

Table 1
Housing Fair Share Allocation by Year of Need

Need	# of Units
Existing need (before 1988)	5
1988-90 projected need	89
1991-95 projected need	135
Total projected need	224

In making its projections, ABAG refined the estimated need into the four household income categories discussed earlier in this Element, as follows:

Table 2
Housing Fair Share Allocation by Income

Income Category	Regional Fair Share
Very Low Income	34
Low Income	27
Moderate Income	38
Above Moderate Income	125
Total	224

⁷ The Association of Bay Area Governments includes the Counties of Sonoma, Marin, Napa, Solano, Contra Costa, Alameda, San Mateo, and Santa Clara, and the City and County of San Francisco

⁸ Source: *Housing Needs Determinations*, January 1989, Association of Bay Area Governments.

The California Government Code requires the Town to develop a Housing Element which establishes goals, policies, programs, and quantifiable objectives designed to ensure that the regional fair share is met.

In developing this Housing Element Update, it should be noted that ABAG's 1988 Housing Determinations likely over-stated the Town's regional fair share of the housing need, based on the fact that projections made at that time appeared based on expected high growth and development in the region, an assumption which did not materialize. In fact, examination of ABAG's *Projections 96* indicates that over the past eight years ABAG has significantly reduced its expected growth for the Town and Santa Clara County as a whole.

Satisfaction of Regional Fair Share

Review of Town records indicates that from 1988 through the end of 1995 there were 180 primary single family detached residential units completed. It is reasonable to presume that all of the new units constructed were within a price range affordable only to households classified as being "above moderate income."

In 1989, the Town removed prior restrictions on the construction and occupancy of residential second units, thereby making them part of the Town's available rental housing stock⁹. Prior to that action residential second units could not be rented and could only be occupied by relatives of or by individuals retained by property owners for on-site custodial and housekeeping activities. That action alone increased the number of residential units available for rent by more than 400¹⁰, based on a conservative use of information derived from the Town's 1994 Residential Second Unit Survey, a survey conducted in part to identify both the number of then existing residential second units as well as community interest in the development of additional residential second units.

Subsequent to the lifting of the restriction, a determination was made that because of the small size of residential second units, which is a maximum of 1,000 square feet, they represent a stock of units potentially affordable to households of moderate income and below. The determination of affordability for the residential second units, a term most often applied to housing that is considered affordable to households with incomes considered no greater than "moderate," was made based on information available from the Town's 1994 Residential Second Unit Survey.

That Survey was delivered to each of the Town's 2,650 households, 1,337 of which returned it, representing a 50% return rate. One of the questions posed in the survey addressed the amount of

⁹ Residential second units cannot be sold and owned separately from the primary residential unit.

¹⁰ The Town conducted a residential second unit survey in 1994 to identify both the number of then existing residential second units and to evaluate community interest in the development of additional residential second units. Of the nearly 50% of the surveys returned, 207 of the respondents indicated that they had at least one residential second unit, with the definition of a residential second unit based on the California Government Code's definitions. It is reasonable to expect that based on the overwhelming response to the survey that there were at the time more than 400 residential second units throughout the Town.

rent charged for residential second units. Four rental ranges were provided from which to choose, with the ranges selected because they closely matched the level of rent considered at the time of the survey affordable to households of very low, low, moderate, and above moderate incomes. The raw data from that Survey question is presented below:

Table 3
Rent Ranges for Residential Second Units

Rental Range	# of Units	Percentage
Rent < \$490	14	21%
Rent = \$490 - \$625	20	29%
Rent = \$626 - \$760	13	19%
Rent > \$760	21	31%

It should be noted that some respondents provided either no information on rent charged or indicated that at the time of the survey no rent was charged for occupancy of a residential second unit. It should also be noted that, based on 1994 income limits set by the State Department of Finance, the response on rental ranges indicates that approximately 50% of the Town's second units would be affordable to "very low" income households (up to \$625 per month), 20% to "low" income households (up to \$760 per month), and the remaining 30% to "moderate" income households (in excess of \$760 per month).

The survey further indicates that over 200 existing residential second units, and perhaps as many as 400 units (as the 207 responses represented only a 50% response rate), were legalized by the Town's second unit ordinance adopted in 1988. It is unlikely that the 1980 Census and follow-up estimates by the State Department of Finance accurately accounted for all of these units in ABAG's determination of housing needs.

Between the years 1988-1995, an additional 38 residential second units have been constructed in the Town. Another eight second units were approved in 1996, but they have not yet been constructed, and are included instead in the Town's objectives for future years. Based on percentages derived from the second unit survey, Table 4 distributes the new second units by income category.

Table 4
Distribution of Residential Second Units by Income Category
1988 - 1995

Income Category	# of Units
Very Low Income	19
Low Income	8
Moderate Income	11
Total	38

Add to the preceding the 180 new primary single family detached residential units constructed between 1988 and the end of 1995, and the following results:

Table 5
Distribution of All Residential Units by Income Category
1988 – 1995

Income Category	# of Units
Very Low Income	19
Low Income	8
Moderate Income	11
Above Moderate Income	180
Total	218

Comparison of these figures with the Town's allocation of the regional fair share allocation reveals that the Town has made substantial progress toward fulfilling its fair share obligations:

Table 6
Satisfaction of Regional Fair Share
1988 - 1995

Income Category	Regional Fair Share	# of Units Constructed or Newly Available	% of Fair Share Met
Very Low Income	34	19	56%
Low Income	27	8	30%
Moderate Income	38	11	29%
Above Moderate Income	125	180	144%
Total	224	218	97%

POPULATION GROUPS WITH SPECIAL NEEDS

In addition to being responsible for meeting the regional fair share, the Town is also bound by the Government Code's provisions to identify and meet any additional special housing needs not typically satisfied by traditional housing, such as those for the elderly, large families, female-headed households, disabled persons, students, and persons in need of emergency shelter.

Elderly Persons

According to the Bureau of the Census, in 1990 there were 1,002 elderly residents (65 years of age and older) in the Town of Los Altos Hills, representing 13.3% of the total population. Of the total, 534 were 70 years of age or older. In addition, there were 509 residents between the ages of 60 and 64, and 573 residents between the ages of 55 and 59.

Statistics cited earlier in this Element indicate that the average age of Los Altos Hills' residents was greater than the County average, and that the Town's average age had increased since the

1980 Census, and that it will likely continue to increase over the next several years. The trend in Los Altos Hills is not unlike the national trend in that the average age of the population is increasing. There are needs for the Town's older residents such as the provision of meals (due to mobility issues), transportation, and other, typical senior services. These needs are now satisfied through a variety of programs operated and funded by the Town, Santa Clara County, and various social service agencies. With the Town's older population there is a probability that there are a considerable number of single family detached residential units which are under-utilized due to the fact that they were constructed to accommodate large families and now provide living space for one or two people.

In 1996, the Town contributed \$30,000 in CDBG funds to support acquisition and rehabilitation of a home for 5-6 seniors, sponsored by Project Match. The home will be located in Sunnyvale and the Town expects to receive priority for one of the future residents to be from Los Altos Hills.

Large Families

In 1990, 11.6% (302) of all families residing in Los Altos Hills contained five or more family members. A large portion of the housing stock in Los Altos Hills is large and spacious, providing ample living space for the larger than average family. There is no information available to suggest that large families have a special housing need in the Town.

Female-Headed Households

This category is becoming less significant as the number of working women nears that of men. There are 150 female householders. 47 of those householders have children over 18, and their mean income was \$81,934 (less than half of what the mean income is for married couple families, \$169,259).

Disabled Persons

There are 131 persons over 16 years of age with a mobility limitation (2.1%). There are 290 persons over the age of 16 with a work disability (4.7%). Of the 290 persons with a work disability, 162 were restricted from working. A public transportation disability is defined as a health condition which makes it difficult or impossible to use buses, trains, subways, or other forms of public transportation. Due to limited mobility, housing that does not create barriers to living is needed for the physically handicapped. Because there are no multi-family housing developments allowed within the Town, issues associated with providing access for the physically challenged is not addressed on a daily basis. The Town has noticed over the past several years an increase in requests by individual households to include design features, both interior and exterior, to allow for access for the physically challenged. The requests have typically been honored.

In addition, in 1996, the Town contributed \$75,000 of CDBG funds to the Mid-Peninsula Housing Coalition's project to construct a home for developmentally disabled adult children, with the home to be located in nearby Palo Alto. Nine Los Altos Hills families expressed support for the facility at that time.

Students

The Town of Los Altos Hills is surrounded by a number of colleges and universities, including Stanford University, University of Santa Clara, Foothill College, DeAnza College, and Menlo College. In 1990, there were 642 persons residing in Los Altos Hills enrolled in college. Slightly more than 100 of them are enrolled in a 4-year college and are therefore likely to be full-time students. Full-time students are often categorized as temporary low-income persons. Thus, adequate low-cost rental housing is a major need demanded by this special needs population, a demand which is often satisfied through the renting of rooms in many of the Town's private residences. This also serves a secondary benefit in that many of the opportunities available to college students are with older members of the community, and the addition of a college aged student to a household provides opportunities for providing services to the older residents.

Emergency Shelter

Temporary emergency shelter has become a significant housing issue across the nation. Typically it includes shelter for individuals and households in need due to financial hardship, family difficulties, a natural disaster, or temporary unemployment. The number of homeless persons is increasing statewide, and this problem not only affects those individuals without shelter, but also, the welfare of the entire community. There are many such agencies attempting to address this concern, several of which are outlined in a later section of this Element.

While there are homeless individuals and families throughout Santa Clara County, there are no known homeless individuals or families residing in the Town. Over the years the Town has allocated \$200,000 of funding received through participation with Santa Clara County in the Housing and Community Development Block Grant Program to the Community Services Agency of Mountain View's Project Match, to provide transitional housing in close proximity to Los Altos Hills. Also, St. Nicholas School, a Catholic school located within the Town, is one of a number of churches in the region which provide shelter for the homeless. Each month a church in one of several communities, including St. Nicholas Church, which operates the School, opens its doors and provides shelter for the homeless for a one-month period. This approach provides recognition that the needs of the homeless transcend jurisdictional boundaries.

CONSTRAINTS TO AND OPPORTUNITIES FOR HOUSING DEVELOPMENT

Development within the Town of Los Altos Hills faces a number of constraints, some naturally occurring, others man-made, and still others only perceived as constraints. This section of the Element addresses each of these types of constraint areas, real or not. This section of the Element also addresses opportunities to promote and encourage the development of housing.

CONSTRAINTS TO HOUSING

Development constraints can be divided among four main categories:

- environmental;
- economic;
- governmental; and
- infrastructure.

As outlined in the following pages, the primary constraint to development in the Town of Los Altos Hills is the natural physical environment, accommodation of which is costly due to additional construction requirements, and is frequently undesirable due to overriding need for environmental protection. Economics of land value, which is high within the Town, cannot be mitigated by governmental intervention short of providing significant subsidies, the funding for which is not available. Land costs in the Town are high because of the highly desirable features afforded by the Town's environment. The Town's development processes are similar and in some ways less encumbering than the development processes of adjoining communities, and do not represent a significant constraint to development. Finally, infrastructure requirements, again consistent with adjoining communities, do represent a constraint to development, a constraint which can sometimes be satisfied and mitigated with additional improvements.

Environmental Constraints

The importance of environmental constraints in housing production is especially evident in a community with prominent topographical features such as those found in the Town of Los Altos Hills. Topographic characteristics in Los Altos Hills inhibit housing production in some areas due to unsafe or difficult development conditions, including flooding, seismic motion, steep slopes, and soil instability. The Town's topography also affects the affordability of homes due to added costs created by different and more costly construction techniques required to address the setting such as additional engineering, grading, soil stabilization, non-traditional foundation systems, and site access. Several of the naturally occurring environmental constraints can suitably be mitigated, the end cost of which is significant and is passed on in the form of higher housing prices. As the Town has developed over the years, the lands left undeveloped have

typically been those which present the greatest constraints and costs to development due largely to naturally occurring environmental constraints.

Slope and Soil

The Town of Los Altos Hills is characterized as having 5 – 50+% sloping terrain with frequently unstable and/or expansive soils beneath surface deposits. These two characteristics require that either the conditions be avoided, leaving tracts of land undevelopable, or alternatively, that engineering design be carefully reviewed to ensure that landslides and other slope/soil stability hazards are suitably mitigated. The necessity for additional engineering and construction provisions, as well as for greater scrutiny in design and construction oversight, adds to the cost of development, a cost which is ultimately passed on to the home buyer. As noted, much of the remaining undeveloped lands within the Town are those with the steepest slopes and the least desirable soils, making their development among the costliest in the Town.

Seismic Motion

The Town of Los Altos Hills is traversed by three major fault lines, including the Berrocal Fault, which runs from the western Town border to the southeastern tip of the Town boundaries; the Altamont Fault, which runs parallel to the Berrocal Fault to the north; and the Monte Vista Fault, which meanders from the northwest quadrant to the southeast quadrant of the Town. Although all of these fault lines are categorized by the State as potentially active, the history of seismic activity in the area does not include any significant movement along these faults.

In recent times, the closest area where earthquakes have originated is approximately one mile south of Los Altos Hills in Santa Clara County. This area experienced a series of 1.0 – 2.9 magnitude earthquakes (Richter Scale) during the time period from 1969 to 1973.

Additionally, there are two large fault lines within Santa Clara County which are known to be currently active and could endanger the stability of Los Altos Hills' hillsides. Although these two faults, the San Andreas Fault located along the west coast, and the Calaveras Fault, located further inland, do not traverse the Town of Los Altos Hills, it is likely that more earth movement would result within Town limits than within nearby communities due to the Town's steep topography and unstable soils.

In October 1989, the Loma Prieta earthquake, originating in the Santa Cruz mountains, caused significant damage in Los Altos Hills, resulting in the demolition of 7 homes and necessitating substantial repairs to more than 25 residential units. The damage seen from the Loma Prieta earthquake bears out the continued necessity for stringent earthquake safety ordinances in Los Altos Hills, which include restricting the siting of development and high standards of engineering design to ensure adequate safety levels in the event of strong earth movement.

While the effects of a significant seismic event would be widespread, the effects would be most intense on lands with steeper slopes and weak soils, which represents much of the remaining undeveloped land within the Town and its Sphere of Influence.

Flood Zones

Although no major rivers traverse the Town of Los Altos Hills, a number of creeks, especially Adobe Creek, and the hilly terrain create flooding possibilities in numerous areas. The General Plan Geotechnical Hazards Map delineates all valley bottom terrain as being prone to 100-year storm flood inundation. Residential construction along creeks and within delineated flood zone areas is restricted by federal and local regulations to minimize erosion, maintain the natural creek characteristics, and to ensure safe housing conditions. The valley bottoms present some of the more level areas of land, and would otherwise be some of the least expensive lands to develop due to the absence of extreme slope conditions. However, because of the flood hazard conditions on many of the valley floors, the cost of construction is higher due to the need to account for drainage and flood control, a cost which is passed on to the home buyer, as well as the requirement that the home buyer acquire Federal flood insurance, at a substantial additional cost. Areas most subject to flooding have often been left undeveloped due in part to the costs associated with mitigating the potential hazards.

Wildland Fire

The issue of wildland fire is a continuing issue in the development of Los Altos Hills' lands. Fueled by dense vegetation and extreme slopes a wildland fire in 1985 destroyed thirteen single family residential units. The issue of wildland fire was emphasized in the 1991 Oakland Hills Fire of 1991, where more than 3,000 residential units were damaged or destroyed in a setting similar to that of the Town's. Steep terrain and extensive vegetation combine to create a setting which must be carefully evaluated and mitigated in the approval of new residential development. The Town often requires mitigation of the potential exposure of residential units to areas of relatively high fire danger, which tends to further increase the cost of residential development. Also, narrow roads, necessitated by the extensive steep terrain as a means of avoiding severe grading and leveling of the natural terrain, make access to the hillsides difficult.

Economic Constraints

Economic factors, in addition to governmental and environmental factors, can significantly affect the availability and cost of housing. A major difference between economic and governmental influences is that a jurisdiction has little or no control over the economic factors which affect the housing market, and these market factors can often offset a jurisdiction's attempts to make housing construction desirable and feasible. The three economic factors which contribute most to the constraint of housing development are:

- land costs;
- construction costs; and
- financing costs.

Land Costs

The typically quoted cost for an acre of undeveloped land which has a reasonable potential for development within the Town of Los Altos Hills ranges from \$350,000 to \$800,000 dollars. While a minor portion of land cost can be attributed to the Town's minimum lot size requirements, a majority is attributable to the physical environment afforded within the Town, including such features as the hillside terrain, dense vegetation, other natural and man-made amenities, and the unique rural residential community. Other cities and towns along the San Francisco peninsula which have high appeal in terms of places to live have similar high land values due to limited supply and high demand.

Construction Costs

The cost of residential construction has risen continuously since 1975, although the rate of increase appears to have slowed considerably in the past few years. The cost of construction of the "standard quality, no frills" single family home was approximately \$49.10 per square foot in 1988. Due to the need to accommodate steeply sloping properties, geotechnical constraints, and the provision of utilities and sewage systems, the cost of construction in Los Altos Hills was considerably higher. Because developers and contractors must compensate for these constraints and additional costs for such items as grading, retaining walls and ensuring soil stability, construction costs at times reach well beyond \$100.00 per square foot. Except for localized environmental conditions or access issues which require additional costs, construction costs within the Town are no different than in adjacent communities.

Financing Costs

Interest rates significantly affect the cost of a home, yet constantly fluctuate so that it is difficult to determine exactly how much of a burden they pose to home buyers. In 1990, interest rates averaged between 9.5 and 10.5 percent for fixed rate loans, assuming an 80% loan with a 30-year payback period. Interest rates for adjustable rate loans were slightly lower.

There is no evidence to suggest that the availability of loans for potential Los Altos Hills home buyers is less than in other regions of the Bay Area. Nor is there evidence to suggest that financing costs are any higher for Los Altos Hills than elsewhere in the regional area. Thus, although financing costs add a significant cost to home purchase, this additional cost is no different in the Town of Los Altos Hills than outside of it.

Governmental Constraints

Although governmental housing regulations are created for the purpose of ensuring an acceptable quality of housing development, these regulations can sometimes negatively affect housing availability. For example, development fees associated with securing the necessary approvals and permits are usually passed on to the home buyer, meaning that housing costs are increased. The challenge is to achieve a balance between the goal of maintaining safe, quality housing and the goal of providing affordable housing. This section examines governmental regulations which can act as constraints to development and provides a discussion of possible mitigation or removal of these constraints, and concludes that the Town's institutional regulations and processes are not a significant constraint to the development of housing in light of the Town's physical environment and community objectives to establish and maintain a rural-oriented residential community.

Governmental factors which most affect the development of housing in the Town of Los Altos Hills are:

- Land use controls;
- Development review and processing time frames; and
- Development and permit fees.

Within the Town of Los Altos Hills the costs associated with the governmental process, both dollar and time costs are similar to those imposed by similar communities in the area and in some instances, are less. As a whole, the Town's processes and costs for development approval are reasonable, and are not considered an impediment or constraint to development.

Land Use Controls

Land use controls have been established to guide growth of the Town in an orderly manner and to preserve the health and safety of Town residents and improvements, as well as to protect the open and rural residential character of the community. Land uses are regulated through the creation of two land use zones. These zones establish Los Altos hills as a transition area between the urbanized mid-peninsula and the open coastal mountain range.

The two designated land use zones are as follows:

- *Residential-Agricultural District (R-A)* – The primary uses allowed are primary dwellings and agriculture, with a minimum lot size of one acre. Larger lot minimums may be imposed if it is determined that the slope of the land or other environmental constraints to development dictate a larger lot to ensure environmental protection, avoidance of naturally occurring or man-made hazards, and implementation of the Town's General Plan. Accessory uses, including home occupations and child daycare homes, private stables, pools, tennis courts, greenhouses, workshops, antennas and dish antennas, secondary dwelling units, and temporary trailer coaches are also permitted in the R-A zone. Additionally, conditional uses

are acceptable provided the project meets the Town's regulations and the Council's approval. Conditional uses include: public libraries, churches, recreation facilities, temporary house trailers, day nurseries and kindergartens, public and private schools, public utility and services uses, fire and police stations, Town facilities, and commercial stables.

- *Open Space Reserve District (OSR)* – The primary uses allowed in the OSR zone are agricultural uses (including horticulture and grazing), forest preserves, and other open space uses. Accessory uses and structures other than buildings necessary to conduct a primary use are not permitted.

Residential Design Standards

To maintain its rural character, the Town of Los Altos Hills has created a set of site design standards to be followed by all developers. As stated in the Town's Municipal Code, "All lots or parcels shall be designed so as to take maximum advantage of, while still preserving, the basic natural characteristics of the land."

- *Driveways* – A minimum 14-foot driveway width is required, with excessive widths prohibited as a means of minimizing impacts associated with land form modification. Where driveways are exceptionally long, the width, grade, and construction are also regulated by the Los Altos Fire Protection District to ensure adequate access for fire protection services.
- *Off-Street Parking* – Off-street parking for four vehicles is required for all single family detached residential units. Residential second units are required to provide one space reserved for the second unit only. Off-street parking within the Town of Los Altos Hills is necessary due to the narrow, winding roadway system and the need to maintain the roadway system free of obstructions for normal and emergency vehicular traffic. The requirement for four off-street parking spaces stems in part from the lack of any public transportation serving the Town.¹¹
- *Road Design Standards* – The minimum right-of-way width for most new public and private roads serving more than 4 lots or single family detached residential units, except fire or emergency roads, is 60 feet. Fire or emergency roads widths are variable. Grades in excess of 15% are generally not permitted.
- *Sanitary Sewer Improvements* – Every lot must be provided with adequate sanitary sewer disposal, provided either through connection to a public sanitary sewer system or an individual septic system. A considerable portion of undeveloped lands within the Town's corporate limits as well as those undeveloped lands in the Town's Sphere are beyond the

¹¹ The requirement for the provision of four off-street parking spaces for all single family detached residential units and one additional off-street parking space for residential second units does not appear to be a deterrent to the development of either type of residential unit.

easy reach of existing public sanitary sewer lines. Connection to public sanitary sewer systems is required if it is within relatively easy 'reach' of new lots and developments. Where existing systems are not within easy reach of new development the use of individual septic systems is allowed, and in so doing, minimizes one of the elements of cost associated with new housing development, although it should also be noted that the use of individual septic systems does represent a limitation on the development of lands not served by public sewer systems.

- *Storm Drainage Improvements* – Drainage systems must be designed to minimize the effects of erosion, siltation, and flooding on immediate or distant downstream neighbors and public facilities.
- *Underground Utility Improvements* – All new and existing public utility systems and service facilities must be installed underground when properties are proposed for subdivision. Beside the obvious aesthetic benefit of underground utilities, the added benefit is protection of vital services delivered via these utilities such as electricity, telephone, and cable television. In the Oakland Hills Firestorm of 1991, overhead lines were severed during the fire making communication difficult if not impossible, and cutting electrical power to pumps and other services vital to fire protection efforts.
- *Water Improvements* – The developer must provide a complete water system and furnish evidence showing the availability of the public water system to serve the project, as well as adequate water supply for fire protection.
- *Path and Trail Easements* – As depicted on the General Plan circulation map, the Master Path Plan Map and in the Path and Trail Element, easements or in lieu fees must be provided for adequate trails when designated parcels are developed. Improvements are also usually required. The paths serve as the pedestrian circulation system which links most areas of the Town.
- *Height of Structures* – No structure may exceed 27 feet in building height from natural grade or an overall height of 35 feet as measured from the lowest point visible to the highest point of the structure.
- *Maximum Development Area*–. The maximum development area (MDA) of a lot is that portion of a lot which may be developed with buildings and pavement, and which requires that the balance of the lot area be retained in an undeveloped or landscaped state. The MDA is based upon a relationship between the average slope of the lot and the lot's net area. Within the context of MDA, development includes the primary and secondary residential units and other buildings (floor area), parking areas, patios, decks, walkways, swimming pools, tennis courts, etc. MDA is typically 15,000 square feet on a relatively flat, one-acre lot.

Maximum Floor Area - The maximum floor area (MFA) is the maximum amount of floor area (building area, including each floor of a structure, plus garages and other accessory structures) which may be developed on a lot. The MFA is based upon a relationship between the average slope of the lot and the lot's net area. MFA is typically 6,000 square feet on a relatively flat, one-acre lot.

- *Setback Lines* – All structures must be set back at least 40 feet from the nearest public or private street property line for front yard setbacks, and 30 feet from property lines for the side and rear yard setbacks.
- *Landscaping* – A landscape plan providing at least the minimal amount of landscaping necessary to mitigate off-site visual impacts is required for almost all projects.
- *Residential Second Units* – Residential second units are permitted on all lots with at least one acre of land, subject to compliance with all of the other site standards discussed above. Such units are limited to a maximum of 1,000 square feet in size, must be compatible with the main residence and site, and require an additional parking space.

None of the development standards established in the R-A Zoning District (the OSR District does not allow development) are perceived as being more severe or restrictive than in other similar communities. Development standards for such aspects as building setbacks, parking, building height, and floor area ratio are, generally no more restrictive than in other communities, particularly those with similar environmental settings. Where there may be some variance with other communities along the San Francisco peninsula is the Town's minimum lot size of one acre. As has been noted earlier in this Element, the necessity of a one acre minimum lot size evolves from several factors, including the community's commitment to preserving a rural residential setting and the need to allow siting flexibility to avoid to the extent possible naturally occurring environmental hazards.

Development Review and Processing Time Frames

The typical sequence of development in the Town of Los Altos Hills is to first subdivide acreage through the Subdivision process, to then obtain Site Development Permits for each lot, and then to obtain a building permit for each residential unit to be constructed.

If subdivision of large acreage is proposed, the typical processing time for a subdivision map ranges between 6 months and one year, with the variation stemming from requirements of the California Environmental Quality Act (CEQA) and whether or not a Negative Declaration or Environmental Impact Report is prepared to satisfy the requirements of CEQA. These time frames for the processing of subdivision maps are typical for both communities along the San Francisco peninsula and throughout much of the State, and therefore, are not considered an additional constraint in the Town.

Site Development Permits are required for the development of new single family detached residential units, whether a lot has been newly created via a recent subdivision process or if the lot has been in existence for some time. The basic purpose of the Site Development Permit process is to ensure that a proposed new single family detached residential unit satisfies all of the Town's established development standards (height, setbacks, floor area ratio, etc.) and that its siting mitigates any potentially adverse impacts including such considerations as visual prominence, removal of vegetation, and excessive land form modification. It should be noted that there is no architectural design review conducted or required in the Town, either in conjunction with the Site Development Permit process or as a separate review process. The typical processing time for a Site Development Permit is three to six months, a time frame not considered to be an impediment to residential development, and a time frame certainly at parity with other communities. Site Development Permits for new residences are acted upon by the Planning Commission after recommendations by Town staff.

Site Development Permit approval is also required for the development of residential second units. The Town recently amended the Site Development Ordinance to allow Site Development Permits for residential second units up to 750 square feet in size to be reviewed and acted upon by the Planning Director, acting in a Zoning Administrator capacity. The net effect of the Ordinance change is to reduce processing times and costs for a residential second unit compared with other Permits which must, by virtue of Ordinance requirements, be reviewed and acted upon by the Planning Commission.

Building permits, and associated mechanical, electrical, and plumbing permits, are issued prior to the start of construction. The basic purpose of the permits is to ensure that construction activities satisfy all requirements of the Uniform Building Code and its associated specialty codes. The Town's typical time frame for the processing of a building permit is one and one-half to two weeks, and again, is not considered excessive or constraining.

Development and Permit Fees

Development fees in the Town of Los Altos Hills are charged for both planning activities and for building permits. Planning fees are charged for the purpose of recovering all costs associated with administration of the Town's regulations pertaining to land use. Planning fees are currently comprised of a non-refundable fee and a deposit, against which professional planning and engineering staff charge to provide review services at the rate of \$75.00 per hour. This fee structure reflects the Town's actual cost staff time. The Town reviews its fee structure and levels on a regular basis to ensure they reflect the cost of delivering services.

Likewise, building permit fees are charged to cover costs associated with checking that building plans conform to requirements of the Uniform Building Code as well as costs associated with conducting building construction inspections. The fees charged for building permits are based on the valuation of construction. The City Council has directed a review of the rates charged for the issuance of Building Permits with the possibility of reducing the current fees required. The net

effect of a reduction will be a lessening of the costs associated with obtaining entitlement and development permits, which may have a measurable effect on the overall cost of housing. The new fee schedule will be reviewed during the 1997-1998 fiscal year.

The Town and special districts also impose new development fees for the construction and/or connection of new infrastructure systems to existing systems. This includes water, sewer, and drainage fees and connection charges to address issues associated with increased system capacity demands and impacts. The Town also collects a \$1,050 housing fee imposed on the issuance of each building permit for a new residence or residential second unit, initiated in 1978, but also currently under review as part of the analysis of building permit fees.

While not imposed by the Town, local school districts charge a fee which is linked to the size of new construction and must be paid prior to issuance of building permits. The purpose of the fee is to compensate serving school districts for the costs associated with the demand for additional services and classroom space generated by new residential development. The three districts which collect fees in the Town are the Los Altos Elementary School District, which levies a fee of \$1.15 per square foot for residential construction, the Mountain View-Los Altos High School District, which levies a fee of \$0.48 per square foot for residential construction within the Town, and the Palo Alto Unified School District, levies a fee of \$1.84 per square foot for residential construction within the Town.

As noted, the Town is evaluating fee schedules associated with the entitlement and development process to determine if lower fees can be imposed without compromising service levels or public health, safety, and welfare.

Residential Second Units

Development of residential second units requires discretionary approval of a Site Development Permit by either the Planning Director or Planning Commission, depending on the size of the unit. Specifically, the Planning Director has the authority to conduct public hearings and act on Site Development Permit applications for residential second units up to 750 square feet in size, while the Planning Commission retains such authority for units in excess of 750 square feet (prior to an ordinance amendment in September of 1996, all residential second units required Planning Commission approval). Site Development Permits for residential second units less than 750 square feet in size typically require processing fees and time frames for review of less than half of the fees and processing times required for larger residential second units or main residences reviewed by the Planning Commission.

Infrastructure Constraints

When analyzing infrastructure constraints which may affect future housing development in Los Altos Hills, it is important to note that many remaining vacant properties are vacant because they are constrained by one or more factors. Fire protection, roadways, storm drainage, sewer

facilities, and geotechnical constraints are the most prevalent constraints. Many vacant properties are located in high fire hazard areas, have inadequate access, lack sewer facilities and/or cannot accommodate septic systems, or have storm drainage problems which must be corrected prior to development.

Mitigation to overcome these constraints, most to be implemented on an individual basis, will become more necessary as the Town moves closer to build out. The following analysis is provided to outline the effect of continued housing development on service facilities serving the Town. Police protection, water supply, school facilities, public transportation, and services are discussed in addition to the services mentioned above.

Circulation System

The existing circulation system is designed primarily for low volume rural residential use. Roads are rural in design with narrow widths averaging 18 to 24 feet without curbs and gutters. Some roads are gravel, or dirt, with limited paved surface. The overall road system conforms to the natural topography, which would be devastated if a more traditional, suburban style roadway system were constructed.

Aside from occasional cases where a parcel planned for development abuts a roadway requiring improvements, minimal routine maintenance is provided by the Town. Typically, when development abuts a roadway requiring improvements, the developer is required to improve the roadway to Town standards.

Available data on traffic volume and patterns indicates that traffic volumes are the heaviest along Arastradero Road, Page Mill Road, Fremont Avenue, and El Monte Road, which are the roadways carrying traffic through the Town from origins and to destinations outside the Town's corporate limits. No roadways exceed their maximum capacity, and, assuming residential densities and development continue at the current rate, it appears existing roadways can accommodate remaining build out, if necessary mitigation is implemented on an individual basis. If higher densities of development are allowed, the circulation system would be significantly affected and constraints on further housing development would be increased.

Storm Drainage

The storm drainage system of Los Altos Hills is designed to the greatest extent possible to maintain natural water drainage patterns. Roads usually have no curbs or gutters and there are no major storm water collection facilities. Improvements consist primarily of street culverts which pass under driveways. Drainage and erosion problems have sometimes occurred from past development which was not subject to the level of engineering review and standards required today. The Town has recently begun a study of storm drainage problems and the improvements which will be necessary to control these problems. As mentioned previously, storm drainage is a constraint to development in that many remaining vacant properties have storm drainage

problems which will require correction prior to development. These necessary storm drainage improvements may also create an increase in housing costs since they may dictate the design of the development on the site and limit it to some degree. The current infrastructure of the Town has limited resources to maintain current and improve needed drainage facilities in the Town, even with the fees charged in association with the issuance of building permits for new residential units. Allowance of higher density in the Town would intensify the problems already experienced in the Town with drainage facilities.

Wastewater Treatment

The Town's wastewater treatment needs are served by individual septic systems and by sanitary sewer service. Approximately one-third of the Town utilizes septic systems, one-third is served through contract with the Palo Alto sanitary sewer system, and one third through contract with the Los Altos sanitary sewer system. Both of the sanitary sewer systems have adequate capacity to accommodate new connections in the Town. However, sanitary sewer lines do not presently extend to all areas of the community. Parcels more than 400 feet from existing sanitary sewer lines have the option of installing individual septic systems, which is often less expensive than the cost of extending sanitary sewer lines. However, some parcels located more than 400 feet from existing sanitary sewer lines are precluded or severely constrained in terms of the use of individual septic systems due to other site constraints, including extreme slope and soils not suited for septic system leach fields.

Fire Protection

Los Altos Hills is protected by the Santa Clara County Fire Department. The City of Palo Alto provides backup protection when needed. Most of the Town represents a high fire risk and there are many concerns associated with providing adequate fire protection. Most areas of the community are designated as high fire hazard areas due to the amount of natural vegetation, limited access, and steep terrain. These factors combine to impact the costs of housing development through the necessity to incorporate design features and construction techniques and materials which help mitigate the high fire hazard.

Police Protection

The Town of Los Altos Hills is not categorized as a high crime area. The Town's police services are provided under contract by the Santa Clara County Sheriff's Department.

Water Supply

Water is supplied to the residents of Los Altos Hills by two districts - the Purissima Hills Water District, which serves the major portion of the area, and the California Water Service Company. Projected housing development in Los Altos Hills is not anticipated to burden water services.

Presently, the Purissima Hills Water District purchases most of its water from the San Francisco Water District. Drought conditions during the past few years have not precluded the District from meeting demand. Additionally, the District has begun looking into the use of wells to increase its independent sources of water.

The California Water Service Company, which serves the remainder of Los Altos Hills, had a peak use of 24,000,337 gallons per day (1984 summer figure), which was far below the maximum capacity. An exact maximum capacity figure was not available because additional water can be obtained from the Santa Clara County Water District. Additionally, 40 existing wells which are not typically used on a daily basis could be used in the future or in an emergency.

Overall, the supply of water does not appear to pose a housing development constraint at this time or within the next five years.

School Districts

Los Altos Hills is located within portions of three school districts, the Los Altos Elementary School District, the Palo Alto Unified School District, and the Mountain View-Los Altos Union High School District. Enrollment in these districts, particularly at the elementary school level, has been increasing slowly over the past few years and is projected to continue to do so. Reports from the districts indicate that there is concern about potential over-crowding in the future if development continues to occur in the areas served by the districts.

Public Transportation

Public transportation service to Foothill College and downtown Los Altos is provided by the Santa Clara Valley Transportation Authority. The District's service to the Town is limited, and it is estimated that fewer than 125 of the more than 2,650 properties in Town are within 1/2 mile of public transportation. Transportation for seniors and disabled persons unable to utilize conventional public transportation is provided by the District's paratransit service.

Commercial Services

While not infrastructure in the typical sense, there exists in the Town a lack of any commercial services typically associated with suburban communities, such as retail shopping and financial, business, and medical services. As has been outlined earlier in this Element, the Town does not

allow the development of these services inasmuch as they would be duplicative of services available in adjoining suburban communities, and within close proximity by automobile.

OPPORTUNITIES FOR HOUSING

There are opportunities for the Town to add additional residential units to its current stock, even though there are significant constraints to the additional development of housing. Most of the land within the Town's existing corporate limits has been previously subdivided and developed. Remaining properties within the Town tend to be those which are less easily developed due to environmental and infrastructure constraints. However, Los Altos Hills finds itself with greater potential because of its large lots which can accommodate a form of 'infill' housing through the encouragement of residential second units.

Land Inventory

Vacant Parcels

There are approximately 148 vacant parcels within the Town which are not large enough to be further subdivided, ranging in size from less than one acre to just over two acres. Town staff anticipates that a portion of these parcels, perhaps 10%, may not be suitable for development in the near future due to environmental, sewage disposal, and other constraints.

Suitability of Subdividable Sites

An additional 77 sites have been identified which could be subdivided. A residential development suitability rating of Class A, B, or C was assigned to each subdividable parcel on the basis of a classification system relying on a set of rating criteria based on availability of infrastructure and environmental constraints.

The suitability classification utilized is outlined as follows:

Suitability Classification	Definition
Class A	Apparently suitable for residential development.
Class B	Apparently suitable for residential development conditional upon mitigation of environmental and public facility impacts; mitigation likely to reduce density.
Class C	Severe environmental and public facility constraints; mitigation likely to greatly limit density.

The quantitative classification system used for this Element is described in detail in Appendix D. Table D-1 in Appendix D describes the 77 subdividable sites by size, current development, number of potential additional units allowed under current zoning, and the suitability classification assigned to each parcel. The maximum number of additional units which would

result from subdivision of the 77 parcels is 218. However, the total number of potential lots is a very broad estimate only and not meant to be a strict interpretation of each parcel's development potential. The estimate is based on the Town's slope density requirements and the average slopes of the parcels were estimated using a 1:400 scale slope classification map of the Town.

The slope density formula requires larger lot sizes for steeper slopes, with one acre being the minimum size allowed. For those sites with a suitability classification of B or C, a reduction in density may be necessary due to identified constraints. Additionally, it is likely that many sites will yield a lower number of lots when more specific and accurate topographic information is available.

Of the 77 subdividable sites, five have a classification of A, 45 have a classification of B, and 27 have a classification of C. Sites classified B and C are appropriate only for very low density residential development and open space uses.

Sites Suitable For Low and Moderate Priced Housing

While the five identified sites classified "A" are unconstrained for new residential development, it is very unlikely that any of them could accommodate primary residences which are available to moderate, low, or very low income families. The high cost of the land would require a density of development incompatible with the Town's rural residential density and available infrastructure in the Town (e.g. narrow roads, lack of storm drainage facilities, the probability of continued use of septic rather than sewer systems). Sites classified "A" are mostly located among existing low density residential neighborhoods, removed from employment centers, shopping and community services. The Town does not have any public services or facilities other than the Town government offices and a few schools. Public transportation opportunities are limited as addressed earlier in this Element.

Residential second units represent for the Town of Los Altos Hills the only practical opportunity for the development of housing affordable for households of moderate income and below. The Town's basic guidelines for the development of a residential second unit is that the unit, in addition to the primary residential unit, not exceed the Town's maximum allowed floor area on any given lot. Many of the Town's developed properties provide opportunities for the development of residential second units either through conversion of portions of existing primary residential units to residential second units, or by new development of unused floor area. While some existing residential development has, through siting, architectural design, or total use of allowable floor area precluded development of residential second units, recent residential development trends find a number of existing residential units being demolished and new units constructed in their place. This trend affords maximum opportunities for development of residential second units. It is estimated that at least 80% of the lots in the Town could accommodate residential second units, recognizing that some lots are less than one acre in size and others may be constrained by physical features of the land. That 80% translates to a potential for 2,160 residential second units, including the existing estimated 400 such units.

Surplus School and Public Owned Lands and Sites Available For Redevelopment

There have been discussions over the years that Foothill College may at some future time develop on-campus housing, although the College has no plans into the foreseeable future for the development of on-campus housing. The Town would encourage the development of student apartment housing at Foothill College by cooperating in development review efforts to accommodate such use, inasmuch as the campus is located near transportation facilities which connect to other urban facilities.

There are no surplus public school sites available for residential development and most Town owned lands are restricted by open space covenants or a "reversion to owner" clause if not used for present purposes (such as public recreation, open space, Town facilities, etc.). Of the Town lands without these restrictions, one parcel has been developed as a park, and the others have been deemed un-buildable (see Appendix D for a list of these properties).

Annexations

The addition of new land areas to the Town's corporate boundaries represents a potential source of new housing opportunities. There are two main geographical areas within the Town's Sphere of Influence which have immediate potential for annexation. The first area, San Antonio Hills West, lies generally southeast of the Town's boundary, on the west side of I-280 and adjacent to the City of Los Altos. This area is essentially built out, with only a few vacant parcels available for development. Aside from a small pocket of lots 10,000 to 25,000 square feet in size, the lots in this area are generally one acre or more in size, essentially equivalent to the development pattern exhibited in Los Altos Hills. It does not appear that the Town would accomplish a significant addition to the inventory of suitable sites for development of low income housing in this area due to the current significant build-out situation.

The other area, the Neary Quarry property, lies directly south of the Town's border and consists of mountainous open space areas. A portion of the quarry land, 280 acres, was purchased in 1994 by the Mid-Peninsula Open Space District to be retained in open space. The Town has recently approved the development of 22 residential lots, all greater than one-acre in size, for the remaining 78-acre site, development of which is constrained by a lake created from a former quarrying operation, extreme slopes, and other environmental constraints. The site was annexed to the Town in October of 1996, and construction of the subdivision should occur beginning in 1998.

Substandard Lots

There are a number of lots within the Town of Los Altos Hills which are substandard in size, i.e., less than one acre, most of which are currently developed. According to the Town's zoning and site development regulations, such lots may be developed or redeveloped based on applicable development standards, just as for any other parcel, but may not be further subdivided. These

lots, in particular those which are close to 0.5 acres in size, have provided for some smaller homes in the Town, but remain well in excess of low to moderate income household affordability, given market housing rates in the area.

Sites Suitable For Factory-Built Housing and Mobile Homes

All vacant parcels identified on Appendix D are available for rental, factory-built or pre-fabricated housing. It is probable that non-governmental constraints, such as property costs, will continue to preclude this type of housing development in Los Altos Hills in the future, even on lots that currently exist below the required 1-acre minimum.

Emergency Shelter

Organizations which provide emergency shelter are located in nearby communities. These organizations, the cities in which they are located, and a brief description of the services they offer are listed below.

- Community Services Agency of Mountain View/Los Altos (Los Altos)

Refers needy persons to emergency shelters in the area or uses a voucher system to provide temporary lodging (maximum of 3 days) at a motel. Families with children are given first priority. All cases are reviewed individually. A portion of the Town's Housing and Community Development Block Grant Program funds have been allocated to the Community Services Agency.

- Salvation Army (Sunnyvale/Mountain View) and Extension (Los Altos)

Refers all persons, if possible, to emergency shelters or provides one day shelter at a motel using a voucher system on a very limited, case by case basis. Single men are generally referred to the San Jose Hospitality House where they may stay free of charge for three nights per year. Fees are charged for additional nights lodging.

- Alpha Omega Homeless Shelters

Provides services for homeless persons, on a rotating basis, shared among approximately ten churches in the vicinity of Los Altos, Los Altos Hills, and Mountain View. The St. Nicholas School in Los Altos Hills hosted the shelter for a month in the Summers of 1996 and 1997, and is expected to do so again in 1998.

- Haven Family House (Menlo Park)

Acts as a transitional housing center for families referred there by different agencies, primarily Fair Oaks Community Center and Bayshore Christian Ministries. Families typically stay for about two months.

- Urban Ministry of Palo Alto

Operates Hotel DeZinc, a shelter providing lodging for 15 to 20 single persons. Families are not accommodated and are instead referred to other shelters in both San Mateo and Santa Clara county.

- Fair Oaks Community Center (Redwood City)

Whenever possible, refers both families and singles to transitional housing facilities. In limited cases, provides vouchers for a maximum of two to three nights stay at a motel.

Housing and Community Development Block Grants

The Town participates with Santa Clara County in the Federal Housing and Community Development Block Grant Program (CDBG), a funding source which makes available Federal funds to aid the development of among other items, affordable housing. The Town has received approximately \$50,000 to \$90,000 per year since it began participating with the County in 1988. While the funds are generally targeted for low income households, funds have not been fully used for that purpose since the Town's initial participation. An accumulated \$200,000 was therefore designated by the Town in 1994 for contribution to a transitional homeless shelter in Mountain View, sponsored by the Community Services Agency and "Project Match," a program which provides housing services to seniors and the homeless throughout the South Bay. Another \$13,000 has been set aside for projects in the Town to enhance accessibility for the physically challenged, pursuant to the standards of the Americans with Disabilities Act (ADA). In 1996, the Town recommended that the accumulated funds be directed to the Mid-Peninsula Housing coalition to support construction of a group home in Palo Alto for developmentally disabled adult children (\$75,000), to Project Match for senior housing in Sunnyvale (\$30,000), and to Next Door, Solutions to Domestic Violence, a women's shelter program in North Santa Clara County (\$5,000). In January of 1997, the Santa Clara County Board of Supervisors agreed to allocate the funds per the Town's request. More recently, the Town has redirected \$100,000 of CDBG funding to the City of Los Altos, which has allocated the monies to projects and programs in the nearby area, primarily those sponsored by the Mid-Peninsula Housing Coalition and Project Match.

ENERGY CONSUMPTION AND CONSERVATION

Energy conservation is standard practice in the housing development industry today. Through basic energy conservation construction techniques, households are able to lower energy bills and conserve natural resources.

In the Los Altos Hills area, energy costs and consumption result mainly from space and water heating. In 1990, a majority of the residents (84%) relied on natural gas for space and water heating. For space and water heating, the remainder of the population which does not use utility gas relied on electricity (10.5%), bottled or tank gas (2.8%), fuel oil (1%), or wood (1.4%).

Initially, most energy conservation measures were applied only by homeowners or developers who individually deemed it to be a worthwhile endeavor. Presently, however, statewide energy conservation standards, adopted in July 1983 (single-family homes) and January 1984 (multi-family units) are enforced throughout the state so that a minimum level of energy efficiency is established. Every newly constructed residential unit is required to abide by specified conservation regulations. These regulations are enforced by the Town of Los Altos Hills' Building Department through careful review of each proposed project for adequate energy efficiency as defined by the California Energy Commission. The Energy Commission has divided the state into a series of climate zones. Los Altos Hills is situated in Climate Zone 4. State energy efficiency standards are associated with this climate zone's special characteristics so as to maximize energy conservation. Mandatory features and devices required of all housing units in order to comply with State regulations include:

- insulation of ceilings, walls, ducts, water tanks, and pipes;
- caulking of all joints and penetrations;
- approved and certified doors, windows, fireplaces, shower heads, faucets, and heating equipment;
- setback thermostats; and
- efficient gas cooking appliances.

For further information on detailed requirements, refer to the Climate Zone 4 Manual issued by the California Energy Commission.

In addition, the Town encourages the use of both passive and active solar energy conservation techniques in building design and siting.

HOUSING GOALS, POLICIES, PROGRAMS, AND OBJECTIVES

GENERAL STRATEGY

As outlined in preceding sections of this Element, no significant housing needs or deficiencies have been identified in the Town. Also, as noted earlier, the Town has made substantial progress in providing its fair share of the regional housing need allocated by ABAG for 1988-1995. Nonetheless, the Town remains committed to ensuring that residential development and housing opportunities within the Town continue along the course established by the 1988 Housing Element.

In particular, the Town's approach to providing additional low and moderate income housing opportunities will emphasize the construction of new residential second units on existing lots and in future subdivisions and the conversion of portions of existing primary residential units to secondary units. The 1988 second unit ordinance legalized hundreds of previously existing second units, and has encouraged the construction of 38 new second units since that time. The Town's primary affordable housing strategy through the end of the decade will be to further encourage second unit construction through incentives to reserve floor area for such units, reduced fees and review time for processing second unit requests, enhanced public awareness of the opportunity to construct second units, and perhaps limited financial assistance for such construction.

On the following pages are a series of goals, policies, programs, and quantified objectives designed to guide the Town along a path of ensuring housing opportunities for all existing and future residents of the community, while at the same time remaining true to the principles upon which the Town was incorporated - mainly preservation of a unique rural residential environment set amidst a natural setting. None of the individual goals, policies, or programs is intended to be an entire solution to the issue of housing in the Town, but instead comprise a complete, integrated solution.

GOALS, POLICIES, AND PROGRAMS

- I. Goal Preserve the existing character of the Town and provide housing opportunities for persons who desire to reside in a rural environment.
 - A. Policy Ensure that all new residential development and reconstruction and rehabilitation of existing residences preserve the natural environmental qualities which significantly contribute to the rural atmosphere of the Town, including the hills, ridgelines, views, natural water courses, and the native trees.

- B. Policy Prohibit or limit residential development in areas with significant environmental constraints through development prohibition, avoidance, setbacks, and/or in-kind replacement.
- C. Policy Protect areas with exceptional natural value through development prohibition, avoidance, setbacks, in-kind replacement, and where feasible, obtain ownership or easements to allow stewardship via open space and conservation programs.
- D. Policy Ensure that all new residential development and reconstruction, and rehabilitation of existing residences preserves, as much as possible, existing views, hills, ridgelines, water courses, riparian vegetation, significant open spaces, and native trees.
- E. Policy Require landscaping to soften the impact of new development on the surrounding community.
- F. Policy Secondary dwelling units shall be constructed and located to be subordinate to the main residence on the lot, and shall not give the appearance of a subdivision.
- G. Policy Require storm water drainage and erosion control systems to be designed to maintain, to the greatest extent possible, existing water drainage patterns and to protect existing downstream lands from flooding and flooding related hazards.
 - 1. Program Review all new residential development and reconstruction and rehabilitation of existing residences through the Site Development Permit review process, which focuses on development siting as well as issues of grading, drainage, access, and landscape screening as visual mitigation. (Policies A - F)

Time Frame: Ongoing
 - 2. Program Work with County of Santa Clara, midpeninsula cities, the Midpeninsula Regional Open Space District and other public agencies to promote open space programs which are compatible with the Town's goals and policies, especially within the Town and its Sphere of Influence. (Policies A - F)

Time Frame: Ongoing

II. Goal Maintain and preserve the quality of the Town's housing stock.

H. Policy Rely on individual property owners to maintain the quality of the Town's housing stock on an individual basis.

3. Program Participate with Santa Clara County in the Federal Housing and Community Development Block Grant Program to seek funding to provide housing rehabilitation loans for low and moderate income housing units/households.

Time Frame: Ongoing

4. Program Enforce the Uniform Housing Code through an on-going program of enforcement and abatement based on complaints from Town residents.

Time Frame: Ongoing

III. Goal Ensure that all local housing needs and the Town's fair share of the regional housing need are met.

I. Policy Facilitate the private development of new residential units and the reconstruction and rehabilitation of existing residential units to meet the identified housing needs for all income levels of the community.

5. Program Develop, maintain, and make available pamphlets, brochures, and other written information on the Town's permitting processes to facilitate and expedite the development of new and the rehabilitation and reconstruction of existing residential units.

Time Frame: Ongoing

6. Program Continue the annexation of lands within the Town's Sphere of Influence to increase the Town's supply of undeveloped lands suitable for residential development.

Time Frame: Ongoing

NOTE: Annexation of 89 acres (78 undeveloped) in 1996

7. Program Continue to participate with Santa Clara County in the Federal Housing and Community Development Block Grant Program, with allocation of the Town's share of funds prioritized first to Town residents and programs, and then to programs which benefit the local area.

Time Frame: Ongoing

- J. Policy Provide opportunities for lower cost housing through the development of residential second units, including new second units and those developed through the conversion of portions of existing primary units, equating to at least 25% of all newly constructed residential units and through cooperating with Foothill College to accommodate on-campus student apartment housing through the development review process.

8. Program Establish an in-lieu fee to be assessed on newly developed residences (in excess of 6,000 square feet) on properties of sufficient size, which do not include the concurrent development of a residential second unit or which do not reserve adequate floor area (minimum of 600 square feet) for subsequent development of a residential second unit.

Time Frame: January 1999

9. Program Establish a fund to promote the development of residential second units to offset the costs associated with the waiving of development fees for lower cost housing, to offset the current housing fee, and for the promotion of residential second unit development.

Time Frame: January 1999

10. Program Revise the review process to allow staff level approval of residential second units of 750 square feet in size or less.

Time Frame: Ordinance amendment adopted in 9/96.

11. Program Eliminate the housing fee (\$1,050) and consider reduction of processing fees for residential second units which are made available as rentals; and develop mechanism to monitor rental availability.

Time Frame: January 1999

12. Program Amend the Zoning Code to allow second units to be permitted on lots in excess of one (1.0) gross acre in size, rather than one (1.0) net acre in size.

Time Frame: January 1999

13. Program Designate the current housing fee (\$1,050) for all market rate new residential construction to be contributed to a fund to promote residential second units.

Time Frame: January 1999

14. Program Develop a residential second unit brochure, to be mailed to all Town residents and to be available at the Town's public information counter and given to each applicant for development of a residential parcel within the Town. The brochure shall emphasize opportunities for residents interested in developing new second units or converting portions of existing primary units, and to seniors seeking opportunities to remain in Los Altos Hills. Also, provide staff support to assist residents to analyze the feasibility of developing second units on their properties.

Time Frame: January 1999

- K. Policy Cooperate with the Foothill-DeAnza Community College District should they desire to develop student housing apartments at Foothill College by processing development applications in an expeditious manner.

- L. Policy Participate with Santa Clara County, the Association of Bay Area Governments, and the State Department of Housing and Community Development in the routine assessment of local and regional housing needs as they relate to the Town.

15. Program At least once every five years participate in the determination of the Town's local housing needs.

Time Frame: Ongoing

16. Program Maintain an inventory of sites, either manually or via the use of a computerized data base, suitable for residential development, based on available environmental and infrastructure information.

Time Frame: Ongoing

- M. Policy Review Town policies and regulations on a regular basis to ensure that the regulations, the process, and the fees do not lead to unnecessary impediments to housing development nor unnecessary increases in housing development costs.

17. Program Review all building and planning fees on a regular basis to assure that fees charged do not exceed the Town's costs of delivering services.

Time Frame: Ongoing

- N. Policy Maintain and provide pertinent information pertaining to environmental constraints affecting residential development.

- V. Goal To encourage energy conservation to lower housing operation costs, reduce demands on existing energy systems, and preserve non-renewable resources.

- O. Policy Recommend and promote energy conservation in existing and new housing.

18. Program Enforce the use of energy conserving features required by the latest edition of the Uniform Building Code and applicable provisions of the California Government Code.

Time Frame: Ongoing

19. Program Refer interested citizens to PG&E for information on energy conservation.

Time Frame: Ongoing

- VI. Goal Encourage older residents to remain members of the community.

20. Program Continue to provide financial support to the Community Services Agency and the Los Altos Senior Center for the provision of such services as emergency assistance, nutrition and hot meal programs, information and referral, and senior care management.

Time Frame: Ongoing

NOTE: Annual budget

21. Program Support Project Match, a homesharing service that matches seniors interested in sharing their homes with other seniors, including publicizing Project Match and its services via articles in local newspapers and newsletters, and possibly including financial support to assist Project Match.

Time Frame: Ongoing

NOTE: Town contributed \$30,000 of CDBG funds in 1997

- VII. Goal Eliminate discrimination in housing access based on race, religion, national origin, age, sex, marital status or physical handicap, and other arbitrary barriers that prevent choice of housing.

- P. Policy Refer complaints of discrimination to groups such as the Midpeninsula Citizens for Fair Housing to provide fair housing services if necessary.

- Q. Policy Address the housing needs of special population groups.

22. Program Promote home room rentals to college students through articles in local newspapers and newsletters and through the provision of a rental availability bulletin board at Town Hall and via postings on appropriate kiosks and housing offices at Foothill Community College and Stanford University.

Time Frame: January 1999

23. Program Refer any individual or household in need of emergency shelter to appropriate agencies and organizations.

Time Frame: Ongoing

- VIII. Goal Preserve neighborhood quality.

- R. Policy Review all new proposed residential development via the Site Development Permit process to ensure compatibility among existing community standards.

- S. Policy Encourage rehabilitation and reconstruction of existing residential units compatible with the established neighborhood character.

- T. Policy Maintain and improve necessary community services.
- U. Policy Maintain opportunities for residents to participate in neighborhood planning and improvements.

SUMMARY OF OBJECTIVES

The Town is required in the Housing Element to quantify the objectives of the Town for the period 1988 to 1995 so as to project the number of new residential units which will be developed within the Town. As has been documented earlier in this Element, the Town has made substantial progress in addressing its regional fair share of housing in all four income categories.

As noted in the Housing Needs section of this Element the following are the Town's allocated regional fair share needs:

Table 7
Housing Fair Share Allocation by Year of Need

Need	# of Units
Existing need (before 1988)	5
1988-90 projected need	89
1991-95 projected need	135
Total projected need	224

Table 8
Housing Fair Share Allocation by Income

Income Category	Regional Fair Share
Very Low Income	34
Low Income	27
Moderate Income	38
Above Moderate Income	125
Total	224

As also outlined in the Housing Needs section, the Town has during the past eight years (1988 to 1995) caused to be constructed or made newly available 218 residential units in the following income categories:

Table 9
Satisfaction of Regional Fair Share
1988 - 1995

Income Category	Regional Fair Share	# of Units Constructed or Newly Available	% of Fair Share Met
Very Low Income	34	19	56%
Low Income	27	8	30%
Moderate Income	38	11	29%
Above Moderate Income	125	180	144%
Total	224	218	97%

From a regional fair share perspective, the Town has made substantial progress in addressing its share of the regional housing need. The Town remains committed to furthering the development of residential units consistent with the long-standing goal of balancing development with the goals and principles upon which the Town was established in 1956.

As noted in Policy I, the Town has set a goal of 25% of all newly constructed residential units being residential second units, which are considered to be affordable rental stock. Based on recent development trends within the Town in terms of the number of new residential units constructed annually, the following table outlines the objectives for this goal and the Town's overall development of residential units:

Table 10
Residential Unit Construction Objectives
1996 – 2000

Year	Residential Second Unit Objective	Above Moderate Income Objective	Total
1996	8	36	44
1997	8	32	40
1998	9	31	40
1999	10	30	40
2000	12	30	42
Total	47	159	206

Furthermore, the figures provided in the Housing Element indicate that substantial land is available to accommodate new second unit development, with an estimated 1,760 lots existing which could presently provide for a second unit within or detached from an existing residence:

Table 11
Existing and Estimated Residential Second Unit Potential

Estimated Number of Existing Residential Second Units	Estimated Number of Lots 1-Acre or Greater	Estimated Number of Lots Capable of Accommodating a New Second Unit	Total Estimated Number of Existing and Potential Second Units
440	2,160	1,760	2,160

In summary, an active program by the Town to encourage the development of residential second units should produce substantially more affordable housing opportunities within Los Altos Hills prior to the year 2000. The opportunity is clearly available, given the development potential outlined in the Housing Element and the regulatory environment in the Town, to construct as many or more units than the target established by ABAG.

The Town's long-term goal is to maintain at least 20% of the Town's total housing stock as affordable second units, an increase from the current, approximately 15%. Meeting that goal will require that the Town actively work with existing and future property owners and developers to build new attached and detached second units and to create new second units within existing primary residential units. Recent trends and Town actions, coupled with the implementation of programs outlined in the previous section of this Element, should allow the Town to achieve its 20% objective in a timely manner.

APPENDIX A SECONDARY UNIT SURVEY

A Secondary Unit, as defined by the State, is a self-contained dwelling with all of the following:

- a) Its own entrance
- b) A cooking facility
- c) A bathroom
- d) Not exceeding 1000 square feet floor area

It may be either attached to the main building, or separate from it.

If you have a secondary unit, please circle the appropriate letter for the responses in Sections A and C.

If you do not have a secondary unit, fill out Section B only.

SECTION A

1. About how big is your unit?
 - a) Under 700 square feet
 - b) Over 700 square feet
2. Is the unit
 - a) Attached to your main house?
 - b) Detached from the main house?
3. Type of unit:
 - a) Studio
 - b) 1 bedroom
 - c) 2 bedroom
4. About how old is your unit?
 - a) Built before 1956
 - b) Built between 1956 and 1989
 - c) Built after 1989
5. Is the unit occupied?
 - a) Yes (if "yes," proceed to question #6)
 - b) No (if "no," ignore question #6, and go to #7)

6. What is the monthly rent of your unit?
 - a) No rent is charged
 - b) Under \$490
 - c) \$490 to \$625
 - d) \$626 to \$760
 - e) Over \$760
7. If you don't currently rent your unit, what would you expect to charge if you did?
 - a) Under \$490
 - b) \$490 to \$625
 - c) \$626 to \$760
 - d) Over \$760
8. Please check the age groups of current occupants of your unit.
 - a) Under 16 years
 - b) 16-30 years
 - c) 31-55 years
 - d) Over 55 years
9. Secondary unit's occupants' primary form of transportation:
 - a) Car (if yes, how many? _____)
 - b) Public transportation
 - c) Bicycle
 - d) Walk

SECTION B

(To be completed by residents with no secondary dwelling)

10. Do you currently have a rental unit which doesn't qualify under the State's definition as a secondary unit?
 - a) No
 - b) Yes; but it doesn't qualify because it is missing:
 - i) A separate entrance
 - ii) A cooking facility
 - iii) A bathroom
11. Do you have a structure on your property that could be converted to a secondary dwelling?
 - a) Yes
 - b) No
 - c) Don't know

12. Is your property one acre or greater?
a) Yes
b) No
13. Do you have at least 500 square feet of undeveloped floor area available for additional development?
a) Yes
b) No
c) Don't know
14. Are you considering building a secondary unit?
a) Yes
b) No

SECTION C

15. How many secondary units do you have? _____
16. Does your secondary unit conform to existing ordinances?
a) Yes
b) No, because it has the following non-conformance(s):
i) Sited in setbacks
ii) Larger than 1000 square feet
iii) Not built to code
iv) Built without permits
v) Inadequate parking
vi) No separate entrance
c) Don't know

We would appreciate your thoughts and suggestions:

<p><i>When you have completed this form, please mail it in the enclosed envelope - no stamp is needed</i></p>

APPENDIX B SECONDARY UNIT SURVEY RESULTS

	Number	Percentage
Total responses	1,337	49%
Responses w/ second units	207	
Total second units	210	
Second units occupied - Yes	122	59%
Second units occupied - No	83	40%
Second units occupied - No Answer	2	1%
Rent = \$0	136	66%
Rent < \$490	14	7%
Rent = \$490 - \$625	20	10%
Rent = \$626 - \$760	13	6%
Rent > \$760	21	10%
Rent = No Answer	2	1%
Size < 700 Sq. Ft.	111	54%
Size > 700 Sq. Ft.	93	45%
Size = No Answer	3	1%
Studio	80	39%
1-Bedroom	96	46%
2-Bedroom	28	14%
3-Bedroom	1	0%
# of Bedrooms - No Answer	2	1%
Expected rent < \$490	21	10%
Expected rent = \$490 - \$625	37	18%
Expected rent = \$626 - \$760	26	13%
Expected rent > \$760	37	18%
Expected rent = No Answer	86	42%
Interested in second unit	204	39%
Not interested in second unit	299	57%
Not sure if interested in second unit	26	5%

APPENDIX C 1988 HOUSING ELEMENT IMPLEMENTATION

The following presents a program by program analysis of the Town's implementation of the 1988 Housing Element goals, policies, and programs.

***Goal I:** Preserve the existing character of the Town and provide housing opportunities for persons who desire to reside in a rural environment.*

***Policy A:** Ensure that residential development and rehabilitation within the Town's planning area preserves the natural environmental qualities which significantly contribute to the rural, open atmosphere of the Town. These include the hills, the ridgeline and the views, the natural water courses and the native trees.*

***Program 1:** Review all new residential development and redevelopment of existing residences through the Town's Site Development review process. As required by the Site Development Ordinance, the review process includes approval of the siting of the development as well as its design, grading, drainage, access and landscaping.*

The Town has continued to review all new residential development as well as the rehabilitation and reconstruction of all existing residential units/properties through the Site Development Permit process, and in so doing, continued to evaluate the siting, design, grading, drainage, access, and landscaping of all new and rehabilitated and reconstructed residential properties.

Program 1 has been carried forward into the current Element as Program 1.

***Program 2:** Regulate housing development in areas with significant environmental constraints or exceptional natural value by requirements for dedication of open space and conservation easements and appropriate building setbacks.*

The Town evaluates each property for which development is proposed through the Site Development Permit review process for existing, individual properties, and through the subdivision

review process for proposed land divisions and subdivisions. Both review processes consider environmental constraints to development and ensure that they are avoided through development prohibition, redesign, density reduction, or mitigation measures. Likewise, both review processes consider preservation of natural resources and ensure they are protected through various avenues including setbacks, project redesign, and open space easements and dedication.

Program 2 has not been carried forward into the current Element inasmuch as its direction is embodied within the Town's development review process.

Program 3: *Ensure that new development and redevelopment of existing residences preserves, as much as possible, existing and potential views, the ridgelines of hills, water courses and riparian vegetation, significant open spaces and native trees. Require landscaping to soften the impact of new development on the surrounding community.*

Through the Site Development Permit review process, all new development, as well as all redevelopment of residential properties, is evaluated to ensure that existing and potential views of ridgelines, water courses and riparian vegetation, significant open spaces and native trees are preserved. Also via the Site Development Permit review process proposed landscaping is evaluated to ensure that it softens the visual impact of new development as well as redevelopment on the surrounding developed and natural communities.

Program 3 has not been carried forward into the current Element inasmuch as its direction is embodied within the Town's development review process.

Program 4: *Require storm water drainage and erosion control systems to be designed to maintain, to the greatest extent possible, existing water drainage patterns and to protect existing downstream homesites.*

Through the Site Development Permit review process, all new development, as well as all redevelopment of residential properties, is evaluated to ensure that adequate storm water drainage and erosion control measures and designs are

incorporated to ensure adequate protection of project sites as well as all downslope and downstream properties potentially effected by the development.

Program 4 has not been carried forward into the current Element inasmuch as its direction is embodied within the Town's development review process.

Program 5: *Work with the County of Santa Clara, midpeninsula cities, the Midpeninsula Regional Open Space District and other public agencies to promote programs which are compatible with the Town's goals and policies, especially within the Town and its Sphere of Influence.*

The Town maintains on-going dialogues with various public agencies to ensure that use and development of lands surrounding the Town occurs in a manner consistent with the Town's overall goals.

Program 5 has been carried forward into the current Element as Program 2.

Goal II: *Maintain and preserve the quality of the existing housing stock.*

Policy B: *Maintain the present high quality condition of well-kept housing units.*

Program 6: *Rely on personal upkeep to provide routine maintenance.*

The Town's existing housing stock is well maintained by individual property owners, as confirmed by staff via a windshield survey.

The focus of Program 6 has been carried forward into the current Element as a component of Program 4.

Program 7: *Through participation in the County's Community Development Block Grant program, provide housing rehabilitation loans for low and moderate income housing units (see also program 27).*

The Town began participation with Santa Clara County in the Housing and Community Development Block Grant (CDBG) program in 1988. To date approximately \$300,000 has been

allocated to the Town, of which approximately \$200,000 was contributed to a transitional shelter (in Mountain View) for the homeless and another \$50,000 allocated to low income households for rehabilitation of residential properties.

Program 7 has been carried forward into the current Element as Program 3.

Program 8: *Enforce the abatement of public nuisances which seriously affect the quality of a neighborhood.*

The Town's Municipal Code includes provisions for enforcement of its provisions, including the use of abatement procedures if warranted. Since adoption of the 1988 Housing Element the Town has found it necessary to abate very few properties for conditions considered to be a public nuisance. As with most enforcement actions, the process is initiated by individual property owners and are not the result of a direct program by the Town.

The focus of Program 8 has been carried forward into the current Element as a component of Program 4.

Goal III: *Facilitate the private development and redevelopment of housing in an attempt to meet the identified housing needs for all income levels of the community.*

Policy C: *Facilitate the orderly development of residential land within the Town of Los Altos Hills.*

Program 9: *Provide informational brochures to developers informing them of housing issues such as permit processing and procedures and development requirements, so as to prevent unnecessary delays and hardships.*

The Town developed a handbook which provides a wide range of information about the Town, its services, organizations, and permitting processes.

Program 9 has been carried forward into the current Element as Program 5.

Program 10: *Allow for lot splits of parcels over two acres if they meet minimum lot size standards and other Subdivision Ordinance*

requirements. Allow for lot line adjustments which result in improved lot configurations.

The Town's Zoning Ordinance establishes a minimum lot size of one (1) acre for newly created parcels, subject to satisfying a series of standards including adequate access, drainage, and topography. The Ordinance also allows for lot line adjustments in accordance with provisions of the State Subdivision Map Act.

Program 10 has not been carried forward into the current Element inasmuch as its direction is an existing component of the Town's Zoning Ordinance.

Program 11: *Annex additional land into the Town for residential development consistent with General Plan and other ordinances.*

The Town has since 1988 continued to annex new land areas to provide for additional residential development consistent with the General Plan and Zoning Ordinance. Since 1988, approximately 20 acres have been added to the Town's corporate boundaries, bringing with that acreage approximately 13 new residential lots and 10 additional residential units. Additionally, a pending annexation will add an additional 78 acres and 22 lots to the Town.

Program 11 has been carried forward into the current Element as Program 6.

Policy D: *Monitor future housing needs to determine if Los Altos Hills is contributing its appropriate to regional housing production.*

Program 12: *Analyze and determine the number of new housing units needed in the Town at least every five years.*

The Town conducted an analysis of localized general and special housing needs as part of the 1995 Housing Element Update.

Program 12 has been carried forward into the current Element as Program 15.

Program 13: *Assess the “initial determination of local shares of the regional housing needs” made by the Association of Bay Area Governments for the Town of Los Altos Hills whenever these determinations are made. An immediate response shall be forwarded to the Association if the Planning Department determines that the allocated share should be revised.*

The Association of Bay Area Governments (ABAG) prepared a determination for regional housing needs in 1989, for which Town staff conducted an analysis.

Program 13 has not been carried forward into the current Element inasmuch as its focus is part of the Town’s administrative practice as related to ABAG and the determination of housing needs and regional fair share.

Policy E: *Attempt to provide moderate- and low-income housing opportunities within the Town of Los Altos Hills.*

Program 14: *Amend the Town’s secondary dwelling unit ordinance to remove the present restriction on the categories of persons allowed to occupy a second unit. This will allow for the rental of secondary units, thereby providing affordable housing opportunities to a greater range of people. The Town will undertake a program to register existing secondary dwelling units to legalize and encourage their use for affordable housing.*

The Town’s Zoning Ordinance was amended in 1989 to remove the restriction on secondary unit occupancy. The removal of this barrier to the renting of residential units added to the Town’s stock of available rental housing a minimum of 207 units, based on conservative estimates developed through a Residential Second Unit Survey, conducted in 1994.

Program 14 has been implemented and has not been carried forward into the current Element.

Program 15: *Amend the Town’s second unit ordinance to eliminate the Conditional Use Permit (CUP) requirements for secondary dwelling units. These units would then be an allowed use, as opposed to a Conditional Use, in the Residential/Agricultural (R-A) District. However, as indicated in the Town’s current*

ordinance, only one secondary dwelling unit is allowed per lot, and not every lot in Town can accommodate a second unit. The intent of this program is to remove the CUP process, while retaining the present ordinance requirements for second units (i.e. share driveways, size limits), to ensure that the health and safety concerns are addressed. The Site Development Ordinance should be amended to ensure public hearings and all existing ordinance findings are required for secondary units, including conversions.

The Town's Zoning Ordinance was amended in 1989 to allow secondary residential units as a permitted use within the Residential-Agricultural (R-A) Zoning District, thereby eliminating the requirement that development of a secondary unit be preceded by approval of a Use Permit. Then existing standards for secondary residential units related to issues of health and safety are retained in the Ordinance. All new and converted residential second units require the approval of a Site Development Permit.

Program 15 has been implemented and has not been carried forward into the current Element.

Program 16:

In order to reduce government constraints, the Town will consider waiving application, development and conditional development permit fees for the development of any primary residence 1,250 square feet or less in size, to be occupied by persons in the low to moderate income range. The applicant shall provide proof of occupant's income level to the Town. The Town will also consider waiving landscaping permit requirements for these units.

The Town has maintained the policy of considering requests to waive development application fees and landscape requirements for units of this size should they be proposed for occupancy by low or moderate income households.

Program 16 has not been carried forward into the current Element inasmuch as it is extremely unlikely that any individual or developer of undeveloped land within the Town will construct a residential unit of no more than 1,250 square feet in size, due largely to the market cost of undeveloped land.

Program 17: *Amend Section 10-1.703(c) of the Town's Zoning Ordinance to ensure that mobile homes are not restricted from being used as primary residences when they meet all applicable development regulations for single family residences.*

The Town Attorney reviewed language of the Town's Zoning Ordinance and determined that it did not preclude the use of mobile homes or manufactured housing as a primary residence and therefore did not require amendment.

Program 17 has been implemented and has not been carried forward into the current Element.

Goal IV: *Review Town policies and regulations on a regular basis to ensure that they do not lead to unnecessary increases in housing development costs, but ensure that the Town continues to avoid or mitigate environmental constraints and unsafe development.*

Policy F: *Encourage housing construction techniques which take into consideration existing environmental constraints.*

Program 18: *Restrict development in areas with high landslide potential and discourage practices which increase the risk of landslide (e.g. grading, vegetation removal).*

Through both the Subdivision and Site Development Permit review and approval processes consideration of the impact to development from unstable soil conditions is considered and either avoided or mitigated. Where development of such lands is unavoidable due to existing parcels special engineering and construction techniques designed to account for such conditions are required through the Site Development Permit and Building Permit review and approval processes.

Program 18 has not been carried forward into the current Element inasmuch as its direction is embodied within the Town's development review process.

Policy G: *Maintain and provide pertinent information pertaining to environmental constraints affecting residential development.*

Program 19: *Identify and maintain an inventory of sites suitable for residential development, based on available environmental and infrastructure information.*

The 1988 Element included an inventory of vacant lands suitable for residential development. The Element also provided a ranking of suitability for development based on institutional and environmental considerations. Since adoption of the Element that inventory has not been routinely maintained due to a limitation of funding for staff resources.

Program 19 has been carried forward into the current Element as Program 15.

Program 20: *Attempt to inform applicants, prior to development of plans, of potential environmental constraints of which they should be aware, so that unnecessary hardship and cost may be avoided.*

All prospective applicants for entitlement permits are encouraged to discuss plans with Town staff prior developing specific plans. The Town maintains considerable information on a variety of topics related to land use and development of the land, including hydrologic, geologic, and topographic datum.

Program 20 has been implemented and has not been carried forward into the current Element.

Goal V: *Encourage energy conservation in order to create lower housing operation costs, prevent exceeding the maximum capacity of the supporting utility systems and preserve non-renewable resources.*

Policy H: *Recommend and promote energy conservation in existing and new housing.*

Program 21: *The town will encourage energy conservation features in existing and new housing plans. The Town Building Official will recommend the use of passive and active solar design features and the Town will maintain literature on solar design, insulation techniques and tax advantages of energy conservation techniques.*

The Town's Building Official recommends to architects, building designers, contractors, and property owners passive and active design features which can be incorporated into new structures and remodels to reduce the demand for energy resources. As literature is available from various sources it is made available to the community at Town Hall.

Program 21 has been implemented and has been carried forward into the current Element as Program 17.

Program 22: *Enforce the use of energy conservation features which are required in the latest edition of the Uniform Building Code.*

The issuance of building permits is made pursuant to many applicable provisions of State and local codes, including Title 24 of the State Building Standards, which specifically addresses energy consumption and conservation in new and remodeled structures.

Program 22 has been implemented and has been carried forward into the current Element as Program 17.

Program 23: *Refer interested citizens to the P.G.&E. District office for information on zero interest payment loan program.*

As inquiries are made at Town Hall regarding financial assistance in the installation of energy conservation features in new and remodel structures, referrals to Pacific Gas and Electric and other potential sources of low or no interest loans and grants are made.

Program 23 has been carried forward into the current Element as Program 18.

Program 24: *Supply maps and encourage the use of the Town's pathways as an alternative to driving.*

The Town distributes a handbook which includes a map of existing pathways within the Town. These pathways are available for pedestrians, cyclists, and equestrians, and provide opportunities for recreation and alternative methods of transportation.

Program 24 has not been carried forward into the current Element inasmuch as it has no influence on the provision of housing for any economic or special need segment of the community.

Goal VI: *Encourage the housing of seniors in Los Altos Hills.*

Policy I: *Senior residents now living in the Town should be encouraged to remain in their own homes as long as possible and elderly residents should be able to be accommodated in homes with secondary units.*

Program 25: *The Town will work with and support organizations that provide senior home care, transportation, errand and other support services to seniors who live in their Los Altos Hills homes. The Town will continue to provide financial support to Community Services Agency and the Los Altos Senior Center, which provides such services as emergency assistance, Vantrans, nutrition and hot meal programs, information and referral, and senior care management. In addition, the Town will cooperate with, maintain and periodically publicize in the Town Newsletter a listing of organizations that provide house-keeping, maintenance, errand and other services to make it easier for seniors who wish to remain in their own homes. The Town will also cooperate with El Camino Hospital in its effort to develop a transportation service for frail and elderly persons utilizing the hospital's services.*

The Town continues to participate with Santa Clara County in the Housing and Community Development Block Grant Program (CDBG) to allocate funding to various agencies and organizations dedicated to providing shelter and social service needs to elderly residents of both the Town of Los Altos Hills to other portions of the County.

A portion of Program 25 has been carried forward into the current Element as Program 20. The balance of Program 25 not carried forward into the current Element stems from the fact that much of Program 25 was determined not to be related to the Housing Element's purpose.

Program 26: *The Town will work with and support Project Match, a homesharing service that matches seniors interested in sharing their homes with other seniors. The Town will publicize Project*

Match and the services they provide (as summarized in Appendix 18) by periodically publicizing articles in the Town Newsletter. Additionally, the Town will consider providing financial support to assist Project Match.

The Town allocated \$200,000 to Project Match in 1994.

Program 26 has been carried forward into the current Element as Program 20.

Program 27: *The development of no more than one attached or detached secondary dwelling unit per lot will be encouraged to house elderly residents of Los Altos Hills. As indicated in Program 15, the Town will eliminate the requirement of a Conditional Use Permit for secondary units. Additionally, the Town will consider waiving development fees for secondary dwelling units which will be occupied by seniors.*

The Town's Zoning Ordinance was amended in 1989 to allow secondary residential units as a permitted use within the Residential-Agricultural (R-A) Zoning District, thereby eliminating the requirement that development of a secondary unit be preceded by approval of a Use Permit. Then existing standards for secondary residential units related to issues of health and safety are retained in the Ordinance. All new and converted residential second units require the approval of a Site Development Permit.

Program 27 has been implemented and has not been carried forward into the current Element.

Program 28: *The Town has entered into an agreement with the County to participate in the County's Community Development Block Grant program. By becoming a participant, the Town will receive funds for a housing rehabilitation loan program to help preserve the existing low and moderate income housing the Town presently has for seniors and others. The program will provide rehabilitation assistance to two or three units annually and will be administered by the County.*

The Town began participating in the County's Community Development Block Grant program in 1988. Among projects funded by the Town have been Project Match, referenced

earlier in this analysis, and a housing rehabilitation program. To date, two units providing housing for households of low income have received financial assistance for rehabilitation.

Program 28 has been carried forward into the current Element as Program 7.

Goal VII: *Seek to eliminate discrimination based on race, religion, national origin, age, sex, marital status or physical handicap, and other arbitrary barriers that prevent choice of housing.*

Policy J: *Refer complaints of discrimination to groups such as the Midpeninsula Citizens for Fair Housing to provide fair housing services if necessary.*

As complaints of housing discrimination are received at Town Hall they are forwarded to the appropriate agencies and organizations for investigation and appropriate action.

Policy K: *Address the housing needs of special population groups.*

Program 29: *Create an accessible unit inventory and referral service for physically disabled residents.*

The Town has not developed an inventory of accessible units due to limited staff resources. However, access for the physically challenged has become an area of interest among the Town's decision makers and incorporation of special design features in new development to accommodate the physically challenged has become routine in the course of development approvals.

Program 29 has not been carried forward into the current Element inasmuch as there are no group quarters or multi-family residential units within the Town for which the Town could maintain a catalog of accessible units. All other residential units within the Town are single family detached units and it is not possible to develop nor maintain a listing of those units which offer accessibility.

Program 30: *Allow and encourage home room rentals (which are not secondary units) to the extensive temporarily low-income student population. The Town will facilitate, through announcements in the Town Newsletter and the provision of*

space for a listing at Town Hall, the matching of residents with room rentals available and college students in need of housing.

The Town's Zoning Ordinance does not restrict or limit the rental of individual rooms within existing residential units. Additionally, the Ordinance does not restrict the number of unrelated individuals residing in any one residence, except as may be governed by applicable health and safety codes of the Town and County.

Program 30 has been carried forward into the current Element as Program 21.

Program 31: *The Town will refer any persons in need of emergency shelter to the nearby facilities which provide such shelter. These facilities are listed on Page 10 of this Element.*

As the Town is made aware of individuals and families in need of emergency housing referrals to appropriate agencies and organizations are made.

Program 31 has been carried forward into the current Element as Program 22.

Goal VIII: *Preserve and improve neighborhood quality.*

Policy L: *Encourage rehabilitation of existing residences compatible with the established neighborhood character.*

Program 32: *Continue public hearing procedure for issuance of Site Development Permits to allow for neighborhoods participation. Review and update site development ordinance, as needed.*

The Town's Site Development Ordinance requires the conduct of at least one public hearing prior to the approval of a Site Development Permit by the Site Development Committee, Planning Commission, or City Council. The conduct of a hearing ensures the opportunity for individuals and groups to participate in the development approval process.

Program 32 has not been carried forward into the current Element inasmuch as its direction is embodied within the Town's development review process.

Policy M: *Maintain and improve necessary community services.*

Program 33: *Implement a circulation plan for future housing to ensure adequate accessibility (Refer to Circulation Element).*

The Town's General Plan includes a Circulation Element which includes goals and policies aimed at ensuring the development and maintenance of an adequate circulation system.

Program 33 has not been carried forward into the current Element inasmuch as the Town's General Plan Circulation Element ensures the provision of an adequate vehicular circulation system sensitive to the environmental constraints presented by the land area within the Town.

Program 34: *Periodically inspect neighborhood facilities, such as streets, to assess conditions through on-going maintenance programs.*

The Town regularly conducts inspections of the roadway and drainage systems to ensure that they are in proper working conditions and to identify maintenance and improvement needs.

Program 34 has not been carried forward into the current Element inasmuch as the Town monitors the condition of roadways and drainage systems.

Policy N: *Maintain opportunities for residents to participate in neighborhood planning and improvements.*

Program 35: *Continue to encourage the establishment and operation of neighborhood associations and citizen committees. Presently, the Town has committees specializing in Finance; Environmental Design and Protection; Parks, Recreation and Pathways; Safety; Community Relations; and Roads and Drainage.*

The Town encourages citizen participation in all aspects of the Town's operation. This is most prevalent in the many special committees established by the City Council to address or oversee specific topical issues such as technology applications in Town Hall, planning and development, finance, and pathways.

Program 35 has not been carried forward into the current Element inasmuch as its direction is embodied within the Town's development review process.

Program 36: *Publicly recognize noteworthy individual and group efforts to improve their neighborhood.*

The City Council publicly recognizes and commends individuals and groups who have made significant contributions to furthering the Town's many goals.

Program 36 has not been carried forward into the current Element inasmuch as it has no influence on the provision of housing for any economic or special need segment of the community.

Program 37: *Recognize outstanding achievement in the design of new and rehabilitated residences.*

The Town has periodically acknowledged residential designs which exceed the usually high standards established not by the Town but by individual property owners in their efforts to balance rural residential development with the Town's many environmental resources and constraints.

Program 37 has not been carried forward into the current Element inasmuch as it has no influence on the provision of housing for any economic or special need segment of the community.

APPENDIX D VACANT LAND SURVEY

Notes:

1. "Parcel number" corresponds with number indicated on Exhibit 1, Vacant and Subdividable Land.
2. "Slope" was estimated from a gross slope map of the Town and may be somewhat inaccurate.
3. "Vacant" means there is presently no development on the property; "Developed" assumes that there is one residence only on the property; second units are not indicated.
4. "Additional units allowed under zoning" is a broad estimate based on the Town's slope density requirements and the average slopes of the parcel.
5. The rating system used to determine the "suitability classification" was as follows:

Each individual parcel was examined for the following infrastructure and environmental constraints, and a value was assigned for each parameter.

1. Availability of adequate roads	Yes	0
	No	1
2. Unacceptable noise impacts	Yes	1
	No	0
3. Biotic resource conflicts	Yes	1
	No	0
4. Flooding Hazard	Yes	1
	No	0
5. Geotechnical Hazards	Zone A	0
	Zone C	2
	Zone D	1
	Zone E	2
6. Slopes	Less than 5%	0
	5% to 30%	1
	over 30%	2
7. Wildland Fire Hazard	Low or moderate	0
8. Availability of Sewers	Yes	0
	No	1

Scores were added for each parcel. Any parcel with a total of 0 or 1 was assigned Class A. Any parcel with a total of 2 to 5 was assigned Class B. Any parcel with a total of 6 or more was assigned Class C.

Suitability Classification	Definition
Class A	Apparently suitable for residential development.
Class B	Apparently suitable for residential development conditional upon mitigation of environmental and public facility impacts; mitigation likely to reduce density.
Class C	Severe environmental and public facility constraints; mitigation likely to greatly limit density.

Table D-1
Subdividable Lands

Parcel No.	Vacant (V) or Developed (D)	Approximate Area in Acres	Additional Units Allowed Under Zoning	Suitability Classification
1	V	3.45	2	B
2	D	3.38	1	B
3	D	6.00	2	C
4	D	3.63	1	C
6	D	3.00	1	B
7	V	4.36	2	B
8	D	2.00	1	B
9	D	3.82	2	B
10	D	5.96	3	C
11	D	5.32	1	C
12	V	2.80	2	B
13	V	2.53	2	B
15	D	4.70	1	B
16	D	4.87	2	B
17	D	5.60	2	B
18	D	3.47	1	B
19	D	5.15	1	C
20	D	8.23	6	B
21	D	3.63	1	B
22	D	3.20	1	B
23	D	10.22	3	C
24	V	9.76	3	C
25	D	3.20	1	B
26	D	2.00	1	B
27	D	2.74	1	B
28	D	3.04	1	B
29	D	6.60	4	B
30	D	18.12	11	C
31	D	3.65	1	C

Table D-1 (CONT.)
Subdividable Lands

	Vacant (V) or Developed (D)	Approximate Area in Acres	Additional Units Allowed Under Zoning	Suitability Classification
Parcel No.				
32	D	3.00	1	B
33	D	4.80	2	B
34	D	10.68	3	B
35	D	5.26	2	B
36	D	7.00	4	C
37	D	9.80	4	B
38	D	3.54	1	B
40	D	2.64	1	B
44	D	11.96	9	B
46	D	3.30	1	B
47	D	2.50	1	A
52	D	5.13	3	B
53	D	7.94	4	A
54	D	2.47	1	A
55	D	2.33	1	B
56	D	2.90	1	B
57	D	3.15	1	A
58	D	5.00	3	B
59	D	3.58	1	B
60	D	13.45	7	B
61	D	2.25	1	B
62	D	2.17	1	B
63	D	2.44	1	B
64	D	3.09	1	B
65	D	3.27	1	C
66	D	13.70	8	B
67	D	2.99	1	C
68	D	3.29	1	C
69	D	4.47	2	B
70	D	2.72	1	B
71	V	22.54	10	B
72	D	4.38	1	C
73	D	11.20	1	C
74	D	19.21	2	C
75	V	6.29	1	C
76	D	6.15	1	C
78	D	38.39	16	C
79	D	15.72	2	C
80	D	45.57	20	C
81	D	9.39	4	C
82	D	4.33	2	C
84	D	5.00	4	C
85	D	3.36	1	C
87	D	10.53	6	B
88	V	21.47	8	B
90	D	17.12	7	C

Table D-1 (CONT.)
Subdividable Lands

	Vacant (V) or Developed (D)	Approximate Area in Acres	Additional Units Allowed Under Zoning	Suitability Classification
Parcel No.				
91	D	8.10	1	C
93	D	2.48	1	A
TOTAL		546.48	218	

Table D-2
Town Owned Lands

Property Location	Assessor's Parcel Number	Acreage	Development Restriction
Edith & Fremont	175-25-59	1.00	7
Robleda near Wildcrest	175-36-14	0.04	1
O'Keefe Lane	175-39-12	8.12	2
Heritage preserve	175-53-42	0.70	3
Town Hall	175-56-03	2.05	3
Elena, Lupine Fire Rd	182-02-11	0.08	1
Purissima & Elena	182-03-22	1.54	2
Little League & Barn	182-04-73	10.20	4
Saddle Mtn. Swale	182-07-25	3.15	5
Moody & Old Snakey	152-17-09	1.17	1
Cntry Way, Three Fork	182-15-33, 34	0.84	1
Byrne Preserve	182-21-16	50.25	2
Moody Court	182-22-14, 21, 22	36.35	2
Westwind Barn	182-28-39	14.93	6
Central Drive	182-29-45	1.04	1
Page Mill, Baleri Ranch	182-32-5, 21	0.5	1
Taaffe, DeZahara	182-47-07	0.01	1
Byrne Park Lane	182-48-20	2.04	4
Page Mill, Story Hill	182-52-09	1.80	5
Moody, Rhus Ridge	336-30-12	0.62	4
Moody, Rhus Ridge	336-31-22, 23	5.64	4
Dawson Drive	336-42-19	13.07	8
Murietta Lane	351-37-01	13.90	5

Key to Restrictions

1. Not a buildable lot due to size, shape or method of creation.
2. Reverts to previous owner if not used for public purposes.
3. Reverts to previous owners if not used for Town Hall purposes.
4. Reverts to previous owner if not used for public recreation or open space.
5. Not able to develop due to lack of proper access, drainage conditions, and/or other constraints.
6. Long-term lease arrangement with Friends of Westwind Barn. (Open space.)
7. Utilized as parkland; in flood plain.
8. Restricted to open space by subdivision dedication; also undevelopable due to lack of proper access and environmental constraints.

Value for land was based on estimated fair market value for lots that can be developed. Value for lands with restrictions was determined to be nominal.

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